HACKMANGROUP

Annual Report 2001

HACKMANGROUP ANNUAL REPORT 2001

NOTICE TO THE SHAREHOLDERS

Annual Shareholders' Meeting

Thursday 11 April 2002, 3.00 p.m. Scandic Hotel Strand Inter-Continental, conference room Ballroom , John Stenberginranta 4, Helsinki.

All shareholders who have been registered no later than 27 March, 2002 in the official company shareholder register kept by Suomen Arvopaperikeskus Oy may participate in the Annual Shareholders' Meeting.

Notification of attendance no later than 9 April, 2002, 4.00 p.m. to:
Hackman Oyj Abp, Share register, P.O.Box 955, 00561 HELSINKI
or by phone + 358 (0) 204 39 5717
or e-mail: yvonne.kaleij@hackmangroup.com

Please notice, if your address has changed, inform the bank that takes care of your stocks on your new address.

Payment of dividends

The Board of Directors has proposed a dividend of 0.55 euro per share for 2001 on both Series A- and K-shares. The dividend clearing day is to be 16 April, 2002 and the date of payment, 23 April, 2002, if the proposal of the Board is approved. Shareholders who have not changed over to the Book-Entry Securities System by the clearing day will receive their dividend payment once their shares have been changed over to the system.

Financial information

HackmanGroup will publish the following reports in Finnish, Swedish and English:

Annual Report 2001	Wednesday 20 March, 2002	
Interim Report I Q	Tuesday 30 April, 2002	(1-3 months)
Interim Report II Q	Tuesday 13 August, 2002	(1-6 months)
Interim Report III Q	Monday 28 October, 2002	(1-9 months)

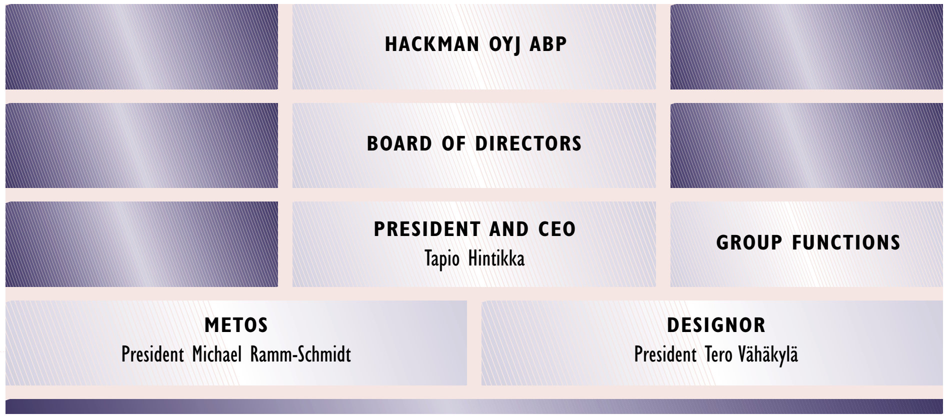
The publications can be ordered by writing to
Hackman Oyj Abp, Group Communications,
P.O.Box 955, FIN-00561 HELSINKI
or by phone + 358 (0)204 39 5732
or by fax + 358 (0)204 39 5708.

All financial information will also be published on HackmanGroup's home pages:

www.hackmangroup.com

C O N T E N T S

HackmanGroup



A European company operating in two sectors

The HackmanGroup pursues a strategy of concentrating on two sectors, with one operational division for each. Designor manufactures premium homewares based on Scandinavian design, whilst Metos is a producer of equipment and related services for professional kitchens. Both divisions base their main strategy on vigorous internationalisation. Their brands are strong in their respective sectors and we are growing their value.

Metos is a supplier of advanced-technology systems, which develops its own process-related competence as a part of the customer's operations and uses what it learns in the field to support its product development. Metos has developed strong product concepts ranging from dish-washing to food preparation and freezing. Thanks to the advanced technology and know-how that these incorporate, clear benefits for customers are achieved.

The cornerstones of **Designor's** strategy are the division's strengths, which include modern Scandinavian design and a profound understanding of consumer behaviour, a revamped product range, effective production and close cooperation with retailers. On the international level, resources are being concentrated on building the iittala brand. The brand already enjoys a strong position in the Nordic countries, where we are continuing to offer a broad palette of brands.

Structural changes as part of our development

In the development of the HackmanGroup's future, preparation must be made for a variety of forms of international cooperation, alliances and acquisitions. Continuing internationalisation is being effected also through a variety of ownership arrangements, although we are concentrating primarily on growth from our own resources.

Hackman is both a family and a publicly-quoted company, with ownership divided between K-shares, which are held by the Hackman family, and A-shares, which are traded on the Helsinki bourse. Descendents of the original owners, Hackman and Ekström, have with their K- and A-shares ca 90 per cent of all the voting rights and also a majority, i.e. ca 54 per cent, of all shares irrespective of series. The goal of the Board of Directors is to ensure steady and positive development of the share price.

Our values and way to operate

The HackmanGroup derives its vitality from its credibility. We live by what we can demonstrate today and especially our ability to change and respond to customers' changing needs with innovative solutions. Our values are the glue that binds the HackmanGroup together.

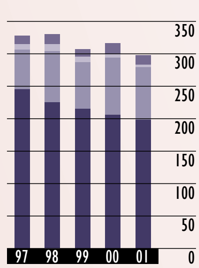
A customer orientation and a willingness to change are two of our values whose importance has been borne in mind in profiling the divisions' brands to ensure that in themselves they give our customers a message about how we operate. We concentrate strongly on understanding our customers' needs and using this understanding in our product development. The development and adoption of Designor's innovation process is a clear example of our willingness to change.

A strong business ethic as well as openness and participation are the other half of our set of values. Within the HackmanGroup, these matters are gone through in staff training programmes, in which our main emphasis has been strongly on improving internal competence. Our employees who have taken part in our Optimus training programme act as agents for change within their organisations by creating a new and more open operational model that provides greater opportunities for participation. With their help we are fostering widespread understanding throughout our units of the strategies being pursued by the HackmanGroup and its divisions as well as of the business principles on which these strategies are based.

2001 IN BRIEF		2001	2000	Change	%
Net sales	million euro	**297.5**	315.8	**-18.3**	**-5.8**
Outside Finland	million euro	**185.7**	203.1	**-17.4**	**-8.6**
Operating result after depreciation	million euro	**18.1**	13.3	**4.8**	**36.1**
Share of net sales	%	**6.1**	4.2	**1.9**	
Result before extraordinary items	million euro	**12.9**	8.3	**4.6**	
Share of net sales	%	**4.3**	2.6	**1.7**	
Gross investments	million euro	**16.8**	25.3	**-8.5**	**-33.6**
Balance sheet total	million euro	**262.5**	263.8	**-1.3**	**-0.5**
Earnings per share (EPS)	euro	**2.22**	1.81	**0.41**	
Dividend/earnings	%	**24.8**	27.6	**-**	
Return on net assets (RNA)	%	**9.9**	8.0	**1.9**	
Return on equity (ROE)	%	**10.4**	8.7	**1.7**	
Equity ratio	%	**36.0**	36.1	**-0.1**	
Number of personnel, December 31		**2 579**	2 610	**-31**	**-1.2**
Outside Finland		**1 205**	1 221	**-16**	**-1.3**

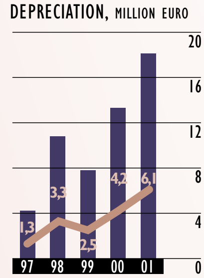
For a complete list of key figures see pages 41 and 45.

NET SALES, MILLION EURO



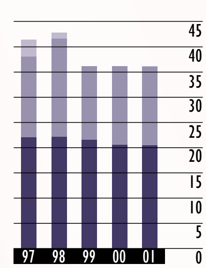
Other countries
North America
Other European countries
Nordic countries

OPERATING RESULT AFTER DEPRECIATION, MILLION EURO



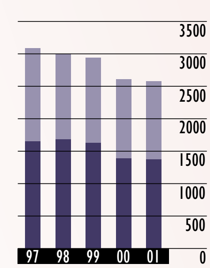
Operating result
% of net sales

EQUITY RATIO, %



Minority interest
Unrestricted equity
Restricted equity

PERSONNEL, DECEMBER 31



Other countries
Finland

Views of the Chairman

What do professional kitchens and design products have in common? At first glance, very little of course. But the dominant strategy in both cases is a strong process of internationalisation. In this respect, there is obvious potential for synergy between the two divisions.

Synergy is born of international competence

We have left one stage in Hackman's over 200 years of history behind us. Our strategy has now been brought into sharp focus and the HackmanGroup is concentrating on two sectors, design products for the table, home and public areas, as well as equipment and services for catering kitchens.

Companies in Europe have been gradually learning since 1993 that people, capital, ideas and services are moving frictionlessly. Many companies, the HackmanGroup among them, now regard Europe as their domestic market. Integration is both physical and mental. Tastes and consumption habits are converging as a result of media influence and travel. However, this new European scale also provides companies with scope to specialise.

Great potential in exploiting efficiency

Metos operates in the professional kitchen sector, which is growing. Demographic development and a general increase in prosperity are prompting people to seek experiences outside the home. Parallel to this, cooking at home is becoming increasingly a pastime and lifestyle manifestation. With people expected to get results and be productive every minute, there have to be services corresponding to these new needs.

Europe's high wage and costs level imposes heavy efficiency demands on all production, including the production of food. With respect to the latter, the HackmanGroup's Metos division has enormous development potential.

Metos is a strong entity in which an industrial way of thinking is combined with professional expertise in cooking food. There is an obvious market niche in which Metos, already one of the leaders in its field in Europe, can further accumulate competitiveness.

The professional kitchen sector is still fragmented along national lines. One of the by-products of European integration is the creation of larger corporate entities. Metos too has grown by acquiring competing companies whose products complement our own range. Our experience of this has been positive and growth of this kind will certainly continue to be a feature of our operations. Market demand combined with close attention to the efficiency of production techniques will present new possibilities as European integration proceeds.

The kitchen processes of the future will be increasingly specialised. There is a need also for effective maintenance and service, something from which Metos can build a new business. Parallel to this, efficiency will be added to the customer's own operations as equipment becomes easier to use.

Designor competing in a growth sector

Designor's market must likewise be seen as encompassing at least Europe. Rather than merely manufacturing glasses to drink from and plates to eat off, what Designor actually does is create beautiful objects, including cutlery and kitchenware, which enhance quality of life. Designor competes in the higher-priced segment, which is growing.

Somewhat perversely, Designor's market share in Finland is too big, which forces it to manufacture also less-profitable products. We believe, however, that when customers get value for their money they are also prepared to pay for it.

In addition to strong expertise on the design side, we need an ability to build our brand. A broad product range must add to the brand's value. In new markets it is advisable to concentrate on a single brand so as to make certain that resources are put to the best possible use. By contrast, it pays to exploit an already-good market position wherever one has been achieved.

In building our brand we have to accommodate ourselves to Central European trends, but we must also find our own distinctive tone there and be prepared to form strategic alliances with suitable cooperation partners.

Internationalisation is an art

What, then, do professional kitchens and design products have in common? At first glance, very little of course. But the dominant strategy in both cases is a strong process of internationalisation. That is an art, although not always recognised as such. In this respect, there is obvious potential for synergy between the two divisions.

Hackman is still also a family company, in which one group of owners has an important position. Steering the ownership structure in an appropriate direction is an aspect of overall business development. Prospects for international growth are good in both segments, but Hackman's own resources are limited. An examination of questions relating to the ownership structure will be inescapable in the future.

Stig Gustavson
Chairman of the Board

Review of the CEO

In last year's annual report we took a sounding of the future and, under the heading The Best Story Wins, explained how significantly storytelling can contribute to a company's success. What is the HackmanGroup story? What makes it credible?

The most important attribute of a story is its vitality. It must reflect the company's essential character and the environment in which it operates. The vitality of the HackmanGroup story flows from its credibility, which in turn is built on a foundation of long-term work. However, our credibility is not born solely of history, because no one can build a livelihood on the strength of that. We are not vendors of museum pieces, even though a considerable proportion of the products that we have manufactured in our history to date are indeed to be found in international special museums. The ways in which we prove ourselves relate to the present day, and especially to our ability to adapt and produce new innovative solutions in response to changing customer needs. To be able to rejuvenate is one of our most important values.

A concrete example of our will to evolve and develop is our extensive Optimus training programme, which has the goal of transforming our internal culture. Change does not come about through talking alone; tools are needed to accomplish it. Our focus has been emphatically on improving in-house capabilities. We have devoted a lot of time and resources to it throughout our organisation and in all of the countries where we operate. Parallel to this we are deepening our mutual integration. Values are the glue that binds the HackmanGroup together. Now that we have reached clearer water, our task is to make these values more prominently visible in our everyday operations. Now our values have fertile soil in which to take root.

Operating environment

The so-called new economy engendered faith that growth would continue indefinitely. Many were lulled into the erro-

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neous belief that a new recession would not come. But events turned out otherwise. The September 11 terror attacks added to the uncertainty that had begun when the IT bubble burst in the first half of the year.

Growth and profitability are easier to achieve in good times, but it is when the economic cycle is on a downswing that the measure of real competitiveness is taken. Designor and Metos demonstrated even with the economy in a phase of recession that they are capable of growing and retaining their profitability in the rough waters of cyclical fluctuations. The conclusion that can be drawn from this is that they have developed their competitiveness relatively better than their competitors. We have justification for believing that the strategy we have chosen is the right one.

I believe that the recession will accelerate change and integration in the structure of our competitors. By contrast, I cannot see any change in customers' basic behaviour. The importance of the home as a secure retreat will persist, and eating out will increase in popularity. These factors are included in the fundamental ideas behind our strategy.

The introduction of the euro will have positive effects on our business. I believe its consequences will be apparent in the latter half of 2002, when business transactions become simpler. The euro provides us with new opportunities to develop our operations.

Our group has several well-known brands, whose value we are increasing by adding even further polish to them. We have inaugurated measures to bring both divisions' brand profiles into sharper focus so that in themselves they will give our customers a message about the way we work. That is an essential prerequisite for success in international operations.

Result

Under the prevailing market conditions, Metos' growth and profitability figures developed almost according to expectations. The goals that we had set with respect to Designor's international growth were not achieved in the early part of 2001, but the final months of the year provided encouraging evidence of growth stemming from our market area having been expanded in accordance with our strategy. Designor's massive process of renewal created a weakening result for the year 2001. Its positive influences will be seen later.

In accordance with the strategy we have chosen, we are giving up Hadwaco. So far, however, despite our efforts to do so, we have not found a rational disengagement solution. We are continuing operations in a downscaled form in order to take care of our liabilities to the customers.

There were no significant changes during the year in the sector of property management.

The challenge facing the HackmanGroup is to be able to exploit the opportunities that the strategic situations in the main divisions offer on the international growth side, bearing in mind the limited economic resources available to us.

To conclude

A sustained enthusiasm for action is something worth cherishing. It improves our shared work motivation and is an important key to success. Thanks to the positive attitude of the personnel, we have got off to a lively start in developing our work community by adopting practices that make more sense to people. In time, this will reflect itself also in a better ability to generate profits.

Tapio Hintikka
President and CEO

The World of Objects in a Sociologist's Eyes

Sociologist Pasi Falk believes the history of civilisation is fundamentally a history of individualisation. Taste has an important place in this process. People individualise, set themselves apart from others by choosing – and above all reflecting on – what they put into their mouths, what they wear, what kind of car they drive or, say, what kinds of glasses they serve wine to their friends in.

Falk points out that the concept of individual taste, which sets one apart from others, is a very recent phenomenon in the history of humankind. It appeared when modern western society was taking shape in the 16th and 17th centuries. In earlier cultures, rules and rituals determined what people had to or could not eat or what dress was appropriate in a particular situation. There was no room for individual, distinctive tastes nor preferences in the lives of either individuals or communities.

"The sense of taste has, of course, always existed, but it did not earlier have a role as a locus of judgement in which one could speak of a matter of taste," says Falk.

Taste divides and unites

In its basic meaning, taste relates inseparably to consumption, to oral ingestion of nourishment. As consumers of nourishment and goods, we live in a state of constant tension between ourselves and the world. On the one hand, we want to build our image of self by internalising the external. We want to be one with the things and people we choose. As a counterweight to this, there is a desire to maintain the integrity of self, privacy, by taking distance from the world of goods and other people.

When we choose a certain make of car, we set ourselves apart from owners of other makes. Consumer and market research has the aim of finding out what kinds of people the properties of a make suit. Advertising and marketing, in turn, build an image of a typical owner's lifestyle in order to support a brand.

Falk says, however, that as consumers we are not just buyers of images. We do not define ourselves either solely or even primarily in relation to other people by acquiring a product which, on the one hand, sets us apart and, on the other, links us to an image community. Falk has studied the actual experience of shopping and emphasises that the meeting of person and article intrinsically involves imagination focused on one's own persona.

"In a potential purchase situation, we see our image reflected in the object. As often as not, the questions that guide our deliberations remain unvoiced, but we may sometimes ask ourselves *sotto voce* when, for example, trying on a garment or holding a wine glass in our hand: *Do I see myself in this? Am I like that? Would I want to be like that?"*

The experiential world

Falk emphasises that human beings are more than just creatures who reflect on their choices of goods. Each and every one of us has our own individual history of having been born and grown up. And that history includes, in addition to our personal mental growth, also the social networks that have developed around us. Meanings are transferred from family relationships to broader social interactions.

"A person's sense of self is maintained by many proc-

The nature of consumption has changed fundamentally in the course of the past five decades, Falk points out. The borderline separating the world of goods from mass culture has become increasingly hazy as the emphasis shifts from consumption proper to the experiential. It is becoming increasingly difficult to distinguish between consumption of experiences and the experience of consumption.

esses, of which work and leisure account for only a part. In the final analysis, it is human relationships that form the foundation for self. Besides that, the world of consumption is more than just a meeting of people and objects. It is, and to the greatest possible degree, a part of the social world."

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Eating out is certainly an excellent example of experiential consumption. Appreciating good food and drink has always been one way of standing out from the crowd. An essential part of that is the ability to discuss the enjoyment of taste and the object to which it relates. The experience of dining has acquired an accentuatedly aesthetic nature now that food is very much meant to gratify the eye as well."

"In the visual sense, food portions at their best are like abstract art – at least in the aesthetics of *nouvelle cuisine*. Likewise, given that music or movies resemble dining in that they are one-off acts of consumption, we also have to wonder where the familiar borderline now runs in their cases too," says Falk.

Making objects our own

Some experts believe that the superabundance of consumer goods on offer feeds an unending fascination with the new in us as consumers. When a novelty loses its charm, we fall in love with another new object. Falk points out, however, that we have a need to create a permanent relationship to objects, a need to make our choice our own. Making an object one's own does not, of course, alter its physical appearance.

"The change is in the mind. Objects are given a gilding by the mind, they become familiar and establish a place for themselves in the private micro-cosmos of the home."

As Falk explains it, making an object one's own is perceived as reciprocal in the sense that the inanimate object comes to life in its owner's mind. He says that objects which have been embraced in this way are an important element in the concept of *home*. A home in not just an interior space enclosed by walls and a roof. It also includes significant relations: to close people who share the space with its owner, and to objects that have been made one's own.

Objects can even be seen as a part of their owner's persona. A relationship to objects is straightforward in the sense that they are "only for me" and do not require the reciprocity that is an essential feature of human relationships. In some people, a personal relationship to objects gives birth to a collector. As life goes on, all of us accumulate personal objects that are dear to us. Like close human relationships, they bring order and permanence to our lives.

Dr. Pasi Falk is a professor of sociology and a member of the University of Helsinki's research collegium. His publications on the theme of consumption include The Consuming Body *(Sage 1994), Hitting the Jackpot (Berg 1997), in addition to which he co-edited The Shopping Experience (Sage 1998) with* Colin Campbell.

Text: Risto Pitkänen, Oy Fountain Park Ltd.

Metos develops and produces customer-oriented services, systems and individual products to assist professional kitchens in the production of high-quality food and beverages.

metos

Overall demand steady despite changes in market situation

The year under review began on a promising note and demand remained lively until April. A slowing of the global economy began manifesting itself in April-May. In our main market area, Europe, demand slowed somewhat in the private sector, but remained stable in the public sector. The September 11 terror attacks caused a decline in investment in the customer segment which depends on international travel and partly even froze it. In addition to that, sales of individual items of equipment were suspended for about a month during the autumn. Nevertheless, a good beginning to the year meant that demand for the full twelve months almost reached the same level as in 2000.

Metos has become one of the five biggest companies in its sector in Europe. The professional kitchen sector has a fragmented structure comprising a large number of small and medium enterprises, none of which has a significant share of the overall market. Medium-sized companies are expected to form new groupings over the next few years. The biggest corporate groups, in turn, are concentrating on consolidating the positions they have already achieved.

Three parallel phenomena influence demand for Metos products. Traditional fast food restaurants have reached the peak of their growth in Europe. New concepts and business ideas are now emerging alongside them or even outstripping them. Cooking is being concentrated increasingly in large-scale kitchens, in which a growing interest in production efficiency and improving overall economy can be observed. A general demand for a higher standard of hygiene in the food sector is contributing to higher sales of stainless steel products as well as dishwashing machines and systems.

Growth outstrips market development

During the year under review, we concentrated on implementing our European growth strategy. Our growth has outpaced that of the market. Our goal is to increase market shares on the basis of our existing product-related expertise.

Our operations are divided between two main areas: Metos-brand products and manufacturing, our value-added concept, as well as end-user functions. Importers and resellers have been entrusted with international distribution of our own products. Our value-added concepts are dishwashing and food production, both of which are oriented towards improving end-user functions and processes. End-user functions are supported by our own comprehensive reseller concept.

Thanks to the advanced technology and expertise that they incorporate, the strong product concepts, from dishwashing processes to cooking and deep-freezing processes, that we have developed give customers clear benefits. We are strengthening our geographical position in accordance with the market and competition situation. In the medium-sized European countries we are seeking a substantial status in the market by concentrating on our reseller concept, which we are augmenting with our dishwashing and cooking concepts. In big countries like Germany, the UK and France, by contrast, our primary concentration is on dishwashing and food preparation.

During the year under review, we added to the overall expertise which our dishwashing process encompasses by acquiring the operations of the Swedish company Nordien-System AB, which specialises in dishwashing logistics. Nordien-System also has a strong foothold as a supplier to international hotel chains. We enhanced our foodpre-

MICHAEL RAMM-SCHMIDT
President, Metos
Managing Director, Hackman Metos Oy Ab

metos

METOS, MILLION EURO	2001	2000
Net Sales	**162.4**	142.9
Outside Finland	**115.5**	100.1
Operating result after depreciation	**12.1**	9.7
% of net sales	**7.5**	6.8
Investments	**6.4**	16.7
RNA %	**20.3**	18.9
Personnel, average	**1 166**	1 081
Outside Finland	**794**	711

paration process by establishing the partnership Metos Grossküchensysteme GmbH in Germany. In Belgium we expanded our operations by acquiring the importing and marketing company International Catering Systems (ICS) N.V. In relation to end-user functions, we have achieved marked improvements in our positions in, especially, Finland, Norway and the Baltic States, and in our capacity as a supplier to kitchens on board passenger vessels.

Investment and development

We have been concentrating more than earlier on developing products and concepts, in addition to investing substantially in improving the cost-effectiveness of our production and logistics as well as in information technology. Personnel development focused on the ongoing Optimus training programme, information technology and language courses. Career development contributes to an individual's overall personal development.

Result

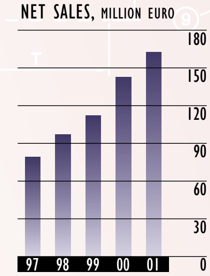
The result for the year under review was up 14 per cent, of which about half was attributable to acquisitions. The result grew faster than net sales. Increasing the proportion of higher-value-added products helped stimulate growth. The long-term return on capital employed remained on the target level of over 20 per cent.

Prospects

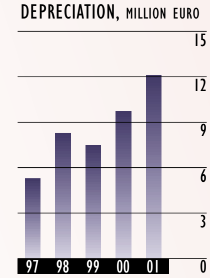
Major changes in the level of procurements in the public sector, which accounts for about one-third of Metos' sales, are unlikely. A fall in the volume of workplace catering can be anticipated as building in this segment is scaled down. The main emphasis in demand will be on replacement investments. Demand associated with international travel will contract. Demand can be expected to decline on the traditional restaurant side, but this will be offset by new concepts and business ideas.

Overall demand in the first half of 2002 is forecast to be weaker than in the year under review. In the second half, however, it is expected to reach or even surpass the 2001 level. Nevertheless, the market overall will fall short of that level. We expect Metos to grow both through acquisitions and increasing market share.

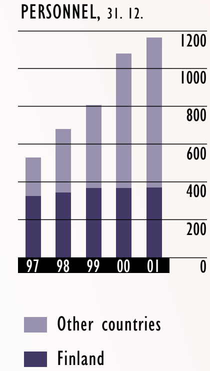
METOS
NET SALES, MILLION EURO



OPERATING PROFIT AFTER DEPRECIATION, MILLION EURO



METOS
PERSONNEL, 31. 12.



Metos' Significant Deliveries in 2001

FINLAND
Stockmann department store,
Helsinki, Oulu, Turku
Restaurant Uusi Seurahuone, Oulu
Niinisalo garrison, Niinisalo
Restaurant Rocca, Turku
Nokia headquarters (phase 2), Helsinki
Restaurant Ziberia, Tampere
Kulosaari Casino, Helsinki
Foodstop Motorest -travel stops (6 stations)

SWEDEN
IKEA Kungens Kurva, Stockholm
Sodexho Restaurant Seglet, Stockholm
Casino Malmö
ICA Kvantum, Uppsala, Viksjö
Radisson SAS Sky Hotel Arlanda, Stockholm

NORWAY
Kongsvinger sykehus (hospital)
Stena Don oljeplattform (oil rig)
Radiumhospitalet Oslo (hospital)
Lofotterminalen i Lofoten
Reitan – Narvesen (hotel chain)
Choice Hotellene (hotel chain)

ITALY
Impregilo S.p.A.
Politecnico di Torino (university), Turin
Villaggio Turistico San Teodoro, Sardinia

RUSSIA
Novo Nordisk, Moscow
Kurortnoe, Sochi (health resort)
Nevskey Veter, Surgut, Siberia
Avto VAZ (Lada), Togliatti (canteens)
Hotel Valhalla, Murmansk
Bolshoi Theatre, Moscow

ESTONIA
Sakuhalli, Tallinn
The Army kitchen, Tapa

LATVIA
Reval Hotel Latvija, Riga
Supermarket Maxi Rimi, Riga
Restaurant Lido, Riga

LITHUANIA
Hyper Maxima, Vilnius, Kaunas, Klaipeda
Shipyard Canteen Laivite, Klaipeda

FRANCE
Ministère de la Défence Base Aérienne, Paris
Cuisine Centrale Municipale, Noisy
Centre Hospitalier d'Avignon, Avignon
Siège Social Nestlé France, Noisiel

BELGIUM
Food Lion supermarkets
Dexia Bank Brussels
University of Gent

HOLLAND
Head office Heineken Brewery, Zoeterwoude
Gouwe Cuisine, Reeuwijk
Restaurant Vossius, Amsterdam
Golden Tulip Hotel Krasnapolsky, Amsterdam

MARINE
Cruiser M/S Sunbay, built at Cassens Werft,
in Emden, Germany
Contract for the sister ship has been
confirmed.

M/S Romantika, Tallink, under construction at
Aker Finnyards, in Rauma, Finland
The contract includes the complete catering
system for M/S Romantika.

OTHER MARKET AREAS
Odense University Hospital, Denmark
Alpha Flight Catering, England
Harrods London, England
Westin Dublin, Ireland
St. Luke's Hospital, Ireland
Astra Societe Europe, Luxembourg
Nestlé, Vevey, Switzerland
Grand Hyatt Hotel,
Dubai, United Arab Emirates
Le Paradise Hotel, Mauritius
Chongquing Hilton Hotel, China
Shingu Elementary School, Fukuoka, Japan
Island Shangri-La Hotel, Hong Kong
TFK Corp. Tokyo Narita airport flight catering
Pettavel Winery and Restaurant, Australia
Woolworths grocery chain, Australia
Partnership Catering, Melbourne, Australia

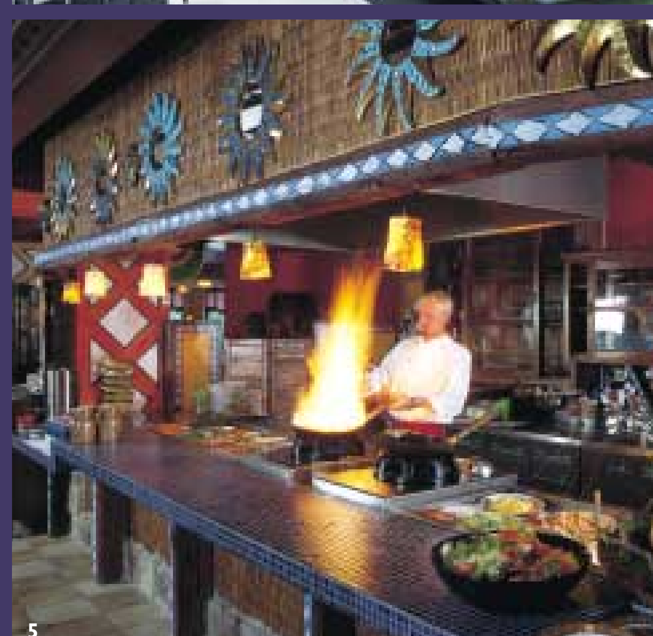
1.
Restaurant Eatz - sushibar, Helsinki
2.
The Service Station Neste - Eläintarha, Helsinki
3.
The Service Station Teboil Pirkanhovi, Tampere
4.
Fresh Coffee & Bar, Helsinki-Vantaa Airport
5.
Restaurant Eatz - grill, Helsinki


1


2


3


4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D E S I G N O R

ARABIA FINLAND HACKMAN iittala Rörstrand

Designor is a leading manufacturer and marketer of premium homewares based on Scandinavian design.

iittala becomes international lifestyle brand

To reinforce the growth of our business in foreign markets, we have decided to concentrate our international resources on building up the iittala brand. Our position in the Nordic countries is so strong that we can continue to maintain a broad range of brands there.

We have always endeavoured to be a pioneer in the field of Scandinavian design. For the past few years we have been developing the product ranges belonging to all of our brands with the ambitious goal of spearheading leading Scandinavian design in modern cooking, table setting and home decoration.

As a natural continuation of this development, we are now taking the next step and grouping all of our most international products from the Arabia, Hackman, Rörstrand and iittala ranges under the iittala brand name. The “iittala lifestyle collection” thus created will grow and strengthen as new products are added. It will represent top-class design, high quality and the Scandinavian lifestyle in all markets.

Optimisation strategy for domestic market based on our local brands

We are continuing to offer several brands in our domestic market. It is one in which we already enjoy leadership in several categories, and our aim is to achieve the same position in the others as well.

Designor products and brands represent enduring values and a strong historical tradition of design. We do not base our operations on novelties that soon disappear. High quality and enduring design are the cornerstones of our product development.

We are using category-centred thinking as a means of strengthening our position in our domestic market. In marketing and our product range we concentrate on solving customers' problems by offering a comprehensive range of products for table setting, cooking and home decoration. This thinking is underpinned by a broad product range and more effective management of it.

Close cooperation with retailers is a precondition for emphasising the consumer perspective. As befits our role as pioneers, we have developed category-management thinking together with our most important customers in our own homewares sector.

New growth from internal efficiency

The cornerstones of our growth strategy are improving our industrial competitiveness and productivity, building a retail concept and developing internal efficiency and our organisation.

A project to centralise the production of cookware in order to improve industrial competitiveness was completed during the year. In June we concluded a strategic alliance with the French company Groupe Guy Degrenne. Combining forces with Europe's biggest cutlery manufacturer will improve our competitiveness in this sector. Guy Degrenne is the leading company in its field in France and its own chain of stores and shop-in-shop outlets provide a new distribution channel for Designor products.

We are developing our retail concept in a revamped pilot store, which is in new premises at the Arabia factory in Helsinki. In Europe, our development of shop-in-shop outlets is continuing. During the year under review, we opened one shop-in-shop outlet in Finland, 7 in Sweden, 17 in Norway, two in the Netherlands, one in Germany and 25 in Denmark.

TERO VÄHÄKYLÄ,
President, Designor
Managing Director, Designor Oy Ab

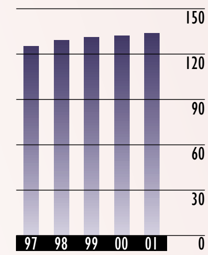
DESIGNOR, MILLION EURO	2001	2000
Net Sales	**134.0**	132.1
Outside Finland	**70.2**	72.5
Operating result after depreciation	**9.3**	10.0
% of net sales	**6.9**	7.6
Investments	**7.1**	14.7
RNA %	**13.3**	17.9
Personnel, average	**1 431**	1 504
Outside Finland	**451**	520

Several others are planned in various European countries.

In our efforts to enhance internal efficiency we have concentrated on streamlining our processes. Working groups were established to define the ideal forms of six key processes. The new processes were inaugurated at the beginning of 2002. Examples include an integrated sales and production planning system as well as a production range management process. Designor's new way of working will spring from these processes.

We are basing the development of the organisation on the HackmanGroup's values, the foremost of which is a willingness to change. That applies to everything we do. Whereas earlier it was expected that initiatives would incorporate fully worked-out ideas, our new thinking sees even tiny germs of ideas as valuable. Development of the innovation process, a rewards system and a training programme support the process of renewal.

DESIGNOR
NET SALES, MILLION EURO



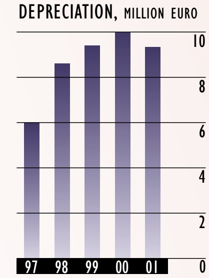
Result

We did not fully achieve our growth targets in sales. This was due to a reduction in deliveries of retailers' private label products, the effect of exchange-rate fluctuations (especially in the case of the Swedish krona) and the autumn's general uncertainty in the market.

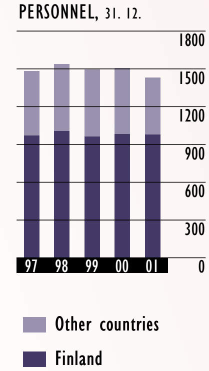
A project to rationalise cookware production caused higher non-recurring costs than had been expected.
A decline in volume and running in production of new articles weakened the Rörstrand factory's result.

On the whole, our result, 9.3 million euro (10.0 million), can be considered satisfactory in the light of the general development of the sector and the amount of non-recurring costs.

OPERATING PROFIT AFTER
DEPRECIATION, MILLION EURO



DESIGNOR
PERSONNEL, 31. 12.



Prospects

With a few exceptions, growth in the sector will slow down. Excess capacity will further stiffen competition. European manufacturers have automated their production and increased capacity at the same time as cheap imports from Asia have captured ground in old and especially new distribution channels. A prerequisite for our own growth is that we constantly improve our competitiveness. We are trying to redress the fact that our profits are generated predominantly in the final quarter of the year by stepping up our efforts to encourage new campaigns and new distribution channels in, especially, the first six months.

Designor's Events and New Products in 2001

Ross Lovegrove named Designer of the Year
The German magazine *Architektur & Wohnen* named Ross Lovegrove its Designer of the Year. The award exhibition was arranged parallel to the Cologne furniture fair in January.

Designor occupies new premises
Designor moved into new offices in January. The Arabia Centre, to be built within the Arabianranta area, began taking shape also for the public when Designor's new sales exhibition opened during the summer and the Arabia factory shop took up new premises in early November.

Design Plus at the Frankfurt spring fair
Citterio Collective tools 2000, belonging to the Hackman tools range, and Rörstrand's Grade both won Design Plus awards at the international Ambiente fair in Frankfurt.

Nanny Still McKinney retrospective
The Nanny Still McKinney exhibition at the Amos Anderson Art Museum in Helsinki presented her extensive industrial design output and the glass sculptures that she created during recent years. A publication entitled "Nanny Still" was launched in conjunction with the opening of the exhibition.

Pro Finnish Design, honourable mention
Designor received an honourable mention in the Pro Finnish Design competition for the Hackman Lovegrove 2000, Koskinen 2000 and Citterio Collective tools 2000 ranges, all of which belong to the Hackman tools product family.

Swedish award for Origo
Rörstrand's Origo was awarded an Utmärkt Svensk Form (Outstanding Swedish Design) diploma in Sweden.

Kerttu Nurminen
30th anniversary celebration
The Kerttu Nurminen exhibition "Mondo mio ja muita tarinoita" (My World and Other Stories) was presented at the Nuutajärvi and Arabia museums during the year. She also had a private exhibition at Galleria Johan S in Helsinki.

Rörstrand celebrates
275th anniversary all year
The 275th anniversary of Rörstrand's foundation was commemorated by means of the exhibition "Pia Törnell – Rörstrand 275 Years" at the Swedish National Museum in Stockholm and the Röhsska Museum in Gothenburg as well as at the Rörstrand Museum. There was also a theme week at the factory in Lidköping. The Rörstrand Museum featured a second special exhibition under the heading: "Designer for her time".

iF Product Design Award 2001
Citterio 2000 and Citterio Collective tools 2000 received an iF Product Design Award in Germany.

Iittala glass factory celebrates
120th anniversary and new
Humppila glass factory 30th
The book "Lasintekijöiden tarinoita Iittalasta" (Glassmakers' Tales from Iittala"), a compilation of stories about the tradition of glassmaking in Iittala, was published during the summer. November was celebration time for glass when Iittala celebrated its 120th birthday and the modern factory in Humppila its 30th.

90th anniversary of Kaj Franck's birth
To mark the 90th anniversary of the birth of Kaj Franck (1911-89), the glass museums in Nuutajärvi and Iittala arranged exhibitions on Franck themes. Unique glass pieces were on display in Nuutajärvi, whilst Iittala featured products designed by Franck for mass production.

Markku Salo's Lasiaika in Nuutajärvi
Markku Salo's piece Lasiaika (Glass Age) became a landmark in the Nuutajärvi glass village in Urjala during the summer. It points the way to Finland's oldest glass factory.

Form, certificate of excellence
The Arabia collections Air, Earth, Water, Space and Fire as well as the Hackman tools collections Lovegrove 2000 and Citterio 2000 were awarded a Form certificate at the autumn fair in Frankfurt.

Zakka of the Year
Japan's Zakka collection named Rörstrand's Origo range Zakka Product of the Year.
A required feature of all Zakka products is their suitability as gifts at any time of the year, and always down to the package.

Björn Dahlström receives Torsten and Wanja Söderberg Award
The Nordic countries' biggest design accolade, the Torsten and Wanja Söderberg Award, went to Björn Dahlström.

Gold and silver in CoreDesign competition
The Swedish Association of Advertising Agencies awarded the Hackman tools concept a gold in its international CoreDesign competition in the product design category and a silver in the corporate image category. The award went to both Hackman and the Ytterborn & Fuentes consultancy.

The Chicago Athenaeum,
Good Design Award
The world's oldest design award was won by Arabia's Water collection.

Oiva Toikka awarded Prins Eugen Medal
The King of Sweden awarded the prestigious Prins Eugen Medal to Professor Oiva Toikka. The medal is awarded annually to meritorious visual artists and handicrafts practitioners.

Heljä Liukko-Sundström receives
Pro Finlandia Medal
The ceramics designer Professor Heljä Liukko-Sundström received the Pro Finlandia Medal, which is awarded by the President of the Republic on 6 December, Finnish Independence Day.

NEW DESIGNOR PRODUCTS

Arabia
- Earth, design James Irvine
- Fire, design Nathalie Lahdenmäki
- Air, design Harri Koskinen
- Space, design Richard Meier
- Water, design Alberto Meda
- Mixe, design Pekka Paikkari
- Illusia white, design Heikki Orvola
- Hors d'oeuvre, design Kaj Franck, relaunched
- Teema, grey, design Kaj Franck, relaunched
- Arctica Sini, design Inkeri Leivo
- Arctica Siniraita, design Inkeri Leivo
- Heljä collection, new items, design Heljä Liukko-Sundström
- Punaposki, design Heljä Liukko-Sundström

Hackman®
- ProfPan, design Björn Dahlström
- Panny, new casseroles, design Nanny Still
- Family
- Brasserie, enamelled

iittala
- Grcic, grey, design Konstantin Grcic
- Mondo, grey and clear, design Kerttu Nurminen
- Halo, design Harri Koskinen
- Ballo grey, design Annaleena Hakatie
- Nappi, grey, design Markku Salo
- Kivi, grey, design Heikki Orvola
- Annual Cube 2001, design Oiva Toikka
- Annual Bird 2001, design Oiva Toikka
- Kartio, grey, design Kaj Franck, relaunched

Rörstrand
- Rim, design Vico Magistretti & Kazuhiko Tomita
- Rebecca, design Suzanne Öhlen
- Taktil, design Maria Olofsson
- Sans, design Jonas Bohlin
- Swedish Grace, sand, design Louise Adelborg and Pia Törnell
- Origo, new parts, design Alfredo Häberli








Other Functions

In accordance with a policy decision in early 2001, we discontinued Hadwaco's operations in the first half of 2002. As a consequence, we are no longer including Hadwaco's functions in the Group's consolidated operative result. We have made a reservation under extraordinary items to cover any liabilities incurred by Hackman including the operating loss in 2001.

Property Management

Forest holdings

We sold timber from our forests only when good silvicultural practices justified this and in a volume below the annual growth increment. During the year under review we sold the island of Luutsalo, with an area of 1 027 hectares in the Juojärvi section of Lake Heinävesi. The island has been zoned for 60 lakeside building sites and 15 of these sites remain in Hackman's ownership. In addition to that we sold a 125-hectare Natura protected area on the island of Laivonsaari in Kuopio to the Finnish Forest and Park Service. Negotiations to form a nature conservation area on a 9.8-hectare Natura site are in progress with the North Savo Regional Environment Centre and will be concluded in the first half of 2002. After these sales, we still own about 15 500 hectares of forest land, which includes both forests and zoned lakeshore sites.

Other properties

Our principle is to make an active input into improving over the long-term possibilities associated with growth in the value of our real estate. In 2001 we commenced cooperation with the City of Vantaa concerning the former Havi factory property there, the aim being to secure rezoning for the site. For the moment, most of the premises have been rented to tenants including Henkel Norden Oy Ab, which discontinued production in Finland in May 2001. The areas used for production were vacated by the end of 2001 and new tenants have been found for some of them.

We are cooperating with the Municipality of Leppävirta in efforts to find new tenants for the premises being vacated in Sorsakoski. The Sorsakoski site still accommodates Designor's cookware factory and the Metos furnishings factory. Designor's cutlery production was transferred to Groupe Guy Degrenne in France in late 2001, leaving space free.

We have been involved in the work of the ADC (Art & Design City Helsinki Oy Ab) established in 1995 and thereby actively influenced the course of the Arabianranta development project in Helsinki. The goal is to make Arabianranta an important design and media centre in which the main emphasis is on developing competence and enterprise in the area as well as on residents' quality of life. It is also hoped that the centre will become an interesting tourist attraction. The entire area will be served by a museum complex, which will include development of the Hackman Pro Design museums. We have also contributed to ensuring that environmental questions relating to the area are handled in accordance with ethical principles.

An important stage in the Arabianranta development project from Hackman's point of view was reached when Designor's new offices and exhibition rooms were completed in spring 2001. The Arabia factory shop was able to occupy its new premises during the autumn.

Another major project begun during the year was a refurbishment and newbuilding programme on the Hackman Metos site in Kerava. The goal is to centralise all of Metos' Helsinki area operations in Kerava.

Art & Design City, Helsinki

Sustainability Reporting Principles

Global environmental trends and issues such as climate change, pollution and the growing use of energy and natural resources have posed new challenges to society. Against this background, the HackmanGroup is committed to developing its management capabilities with respect to the environmental compatibility of its processes and products.

We recognise that our operations have impacts on the environment. The most significant relate to energy and water consumption, generation of waste and emissions to water. The goal of our internal environmental work is to reduce these impacts. We are striving to ensure effective progress towards this goal by optimising transfers of expertise between our business areas. Our immediate objective is to develop our environmental management procedures in accordance with the Sustainability Reporting Guidelines set forth in the Global Reporting Initiative.

Looking further ahead, we plan to extend the scope of reporting to broader aspects of sustainability, including social and economic issues, and eventually to implement a systematic reporting procedure covering all HackmanGroup units.

Environmental management

Development and implementation of our internal environmental management system is continuing. Responsibility for environmental management has been defined for all levels of the organisation. Environmental data have been compiled for the past three years. Our next step will be to develop harmonised calculation and collection methods and set a uniform scope for reporting.

Environmental policy

We are committed to constantly improving our environmental performance by taking eco-efficiency issues into consideration both during our operations and throughout the life cycle of our products. Knowledge of best practices is shared within the Group in order to maximise the effectiveness with which we pool our expertise in relation to the environment. An active dialogue with our key stakeholders strengthens our understanding.

The products designed and manufactured by the HackmanGroup's divisions, Metos and Designor have long life spans. Therefore, Life Cycle Assessment is employed not only in production, but also in the design stage to minimise the negative environmental impacts involved in using and disposing of our products.

Because our divisions, Designor and Metos operate in different industrial sectors, the Group policy serves as an overall guideline for their separate environmental policies, which are tailored to the needs of their specific operations. Over and above statutory requirements, local environmental circumstances are always taken into consideration.

Risk management and compliance

Managing environmental risks is a high-priority issue throughout the HackmanGroup. We have chosen to develop our environmental management system towards ISO 14001 to enable us to handle product- and process-related opportunities and risks more systematically throughout our organisation.

The ability of the environmental management system to produce product-related environmental data will be further developed. In 2001, Metos washing machines equipped with the Intelligent Control System (ICS) were subjected to Life Cycle Analyses.

Report by the Board of Directors

The net sales in the core business, Metos and Designor, grew 7.8 per cent to 296.4 million euro (275.0 million). The operating result improved by 4.8 million euro to 18.1 million and the return on net assets was 9.9 per cent (8.0%). Hadwaco's operations within the HackmanGroup were discontinued.

The HackmanGroup's net sales decreased by 5.8 per cent to 297.5 million euro (2000: 315.8 million euro). The Group's operating result was 18.1 million euro (13.3 million), and the result after financial items was 12.9 million euro (8.3 million). The Board of Directors proposes that a dividend of 0.55 euro/ share be paid for 2001 (0.50 euro).

Changes in the Group Structure

Metos acquired the business activity of Nordien-System AB in Sweden and 100 per cent of the shares in its subsidiary, Nordien-System UK Ltd, in the UK in August. In September Metos incorporated a joint venture company, Metos Grossküchensysteme GmbH in Germany.

At the end of January 2001 Metos acquired International Catering Systems (ICS) N.V., in Aalst, Belgium.

Metos acquired all the shares in the Rubbens Group in Belgium including its subsidiary Atelier Rubbens S.A.R.L. in France in February 2002.

Designor sold 50.5 per cent of its Hungarian subsidiary, Hackman Cutlery Factory and Commercial LLC, in September as part of the strategic alliance with the French company Groupe Guy Degrenne.

Net Sales

Net sales of the core business, Metos and Designor, increased by 7.8 per cent. The HackmanGroup's net sales decreased by 5.8 per cent mainly due to sales of the TTT business in December 2000. Exports and international operations accounted for 62.4 per cent of net sales (64.3%). The value of unshipped orders was 29.6 million euro, which is 0.9 million higher than at the end of 2000.

Result

The Group's gross margin was 32.5 per cent of net sales (30.8%). The operating result was 18.1 million euro (13.3 million). The result before extraordinary items improved by 4.6 million euro to 12.9 million euro (8.3 million). Due to the discontinuation of Hadwaco, its operating result, -2.5 million euro, has been accounted for under extraordinary expenses.

Other operating income totaling 5.8 million euro (3.3 million), include gains from sales of fixed assets 3.4 million euro (0.8 million). The previous year's figures include 1.7 million euro in refunded pension premiums (SPP) in Sweden.

Other operating expenses totaling 11.2 million euro (11.4 million) include 8.2 million euro (8.8 million) research and development expenses.

Income and expenses arising from major restructuring and divestments are shown as extraordinary items. The extraordinary expenses totaling –8.2 million euro (–1.5 million) include all ultimate net losses, totaling –7.9 million euro, which have been identified in the discontinuance process of Hadwaco.

The result before appropriations and taxes was 4.7 million euro (6.8 million).

Taxes were a net expense of 3.1 million euro (net income 0.7 million). The previous year's figures included an increase of 3.3 million euro in deferred tax receivables. The result after financial items, taxes and minority interest was 1.7 million euro (7.5 million).

REVIEW OF DIVISIONS

Metos

Metos´ net sales increased by 13.6 per cent to 162.4 million euro (142.9 million). The operating result 12.1 million euro was an improvement of 2.4 million euro on the previous year (9.7 million) .

Metos continued to increase market share in Europe in 2001. The increase in operating profit was a result of higher volumes, but improvements in customer service-based operations and productivity were also contributory factors.

The order backlog at the end of 2001 represented an improvement of 18 per cent. Overall demand in year 2002 is still uncertain, but Metos' market share is expected to increase further this year.

Designor

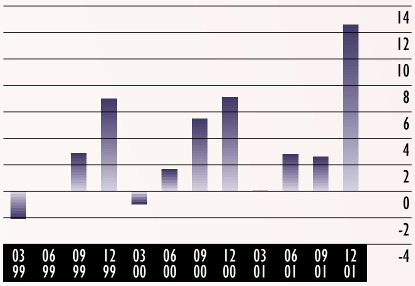
Designor´s net sales totaled 134.0 million euro (132.1 million). The operating result was 9.3 million euro, a fall of 0.7 million compared with the previous year (10.0 million).

Designor's performance improved during the 4th quarter. The non-recurring operating expenses related to the cookware restructuring project were higher than anticipated. The benefits from the new, more focused manufacturing setup started to materialise already in the final quarter of 2001.

Non-core Activities

A decision to divest Hadwaco was made in the early part of 2001. After negotiations for a new ownership structure,

HACKMANGROUP, OPERATING RESULT AFTER DEPRECIATION, MILLION EURO



proved unsuccessful, the Hadwaco operations were discontinued.

Investment and Finance

The Group's gross investment totaled 16.8 million euro (25.3 million), of which 1.2 million euro (11.6 million) was for goodwill.

The Group's net working capital at year's end was 94.9 million euro, or 31.9 per cent of net sales (82.3 million, 26.1%). Interest-bearing liabilities at the end of December totaled 94.7 million euro (95.3 million).

At the turn of the year, the Group owned 15 728 hectares of forest, 105 hectares of waterfront property, 44 hectares of industrial property and 10 hectares of residential property. The total balance sheet value of this property was 32.6 million euro (36.6 million).

Solvency

The Group's shareholders' equity at the end of 2001 totaled 94.2 million euro (95.1 million), corresponding to 21.40 euro per share (21.62). Voluntary reserves have been allocated to shareholders' equity and deferred tax liability. In calculating the tax liability, each country's tax rate for next year (28-41%) has been applied. The Group's equity ratio was 36.0 per cent (36.1%).

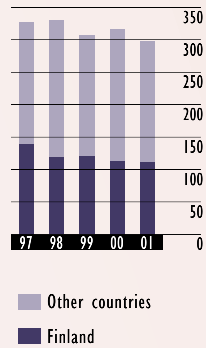
Shares and Shareholders

According to the book-entry system, Hackman Oyj Abp had 2 426 shareholders on December 31, 2001. In 2001, 525 890 A- shares of Hackman stock, with a total value of 7.7 million euro, changed hands (649 671; 7.7 million). The share price reached a high of 17.20 euro in April and a low of 11.35 euro in January.

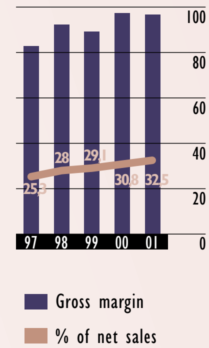
Outlook

Our core business, Metos and Designor, showed steady development in the fourth quarter. The structural changes implemented together with improved business practices and new products and services offered create conditions for growth and profit improvements in 2002.

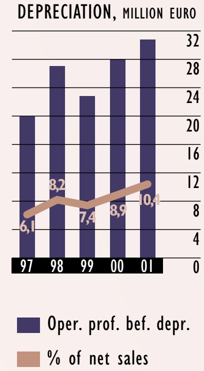
NET SALES, MILLION EURO



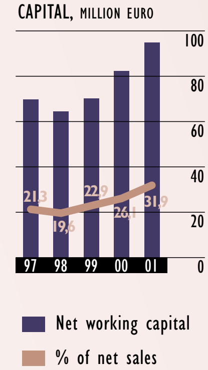
GROSS MARGIN, MILLION EURO



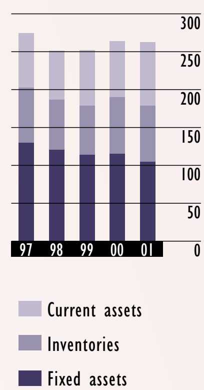
OPERATING PROFIT BEFORE DEPRECIATION, MILLION EURO



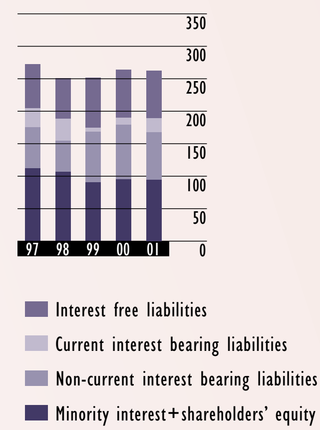
NET WORKING CAPITAL, MILLION EURO



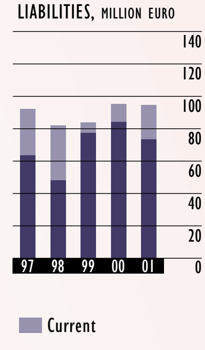
ASSETS, MILLION EURO



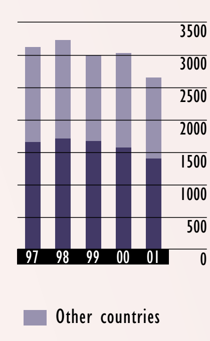
LIABILITIES, MILLION EURO



INTEREST BEARING LIABILITIES, MILLION EURO



PERSONNEL, AVERAGE



Income Statement

		Group				Hackman Oyj Abp			
MILLION EURO	Note	**2001**	**%**	2000	%	**2001**	**%**	2000	%
Net sales	1	**297.5**	**100.0**	315.8	100.0	**1.0**	**100.0**	0.9	100.0
Cost of goods sold	2,3,4	**-200.7**		-218.5		**-0.5**		-0.4	
Gross margin		**96.8**	**32.5**	97.3	30.8	**0.5**	**55.0**	0.5	50.9
Sales and marketing expenses	3,4	**-51.0**		-51.6		**-**		-	
Administrative expenses	3,4,10	**-19.3**		-20.8		**-3.8**		-3.6	
Other operating income	5	**5.8**		3.3		**1.5**		1.0	
Other operating expenses	4,6,10	**-11.2**		-11.4		**0.0**		-0.1	
Depreciation of group goodwill	4	**-3.0**		-3.5		**-**		-	
		-78.7		-84.0		**-2.3**		-2.7	
Operating result	7	**18.1**	**6.1**	13.3	4.2	**-1.8**		-2.2	
Financial income and expenses	8	**-5.2**	**-1.8**	-5.0	-1.6	**1.0**		2.6	
Result before extraordinary items		**12.9**	**4.3**	8.3	2.6	**-0.8**		0.4	
Extraordinary items	9,10	**-8.2**		-1.5		**3.0**		-0.2	
Result before appropriations and taxes		**4.7**	**1.6**	6.8	2.2	**2.2**		0.2	
Appropriations	11	**-**		-		**0.0**		0.1	
Direct taxes	12	**-3.1**		0.7		**-0.5**		-0.3	
Result before minority interests		**1.6**	**0.6**	7.5	2.4	**1.7**		0.0	
Minority interests		**0.1**							
Result for the financial year		**1.7**	**0.6**	7.5	2.4				

Balance Sheet

MILLION EURO	Note	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
ASSETS					
Fixed and other long-lived assets					
Intangible assets	13	**4.1**	3.7	**0.1**	0.2
Group goodwill	13	**20.9**	22.8	**-**	-
Goodwill	13	**2.3**	1.4	**-**	-
Tangible assets	13	**70.6**	79.9	**34.6**	38.5
Investments	14,34	**4.1**	2.5	**3.6**	2.0
Shares in associated companies	14,33	**0.5**	0.2	**-**	-
Shares in Group companies	14,32	**-**	-	**57.0**	57.4
Other investments	14	**2.5**	1.8	**1.2**	1.2
		105.0	112.3	**96.5**	99.3
Inventories and financial assets					
Inventories	15	**73.9**	72.3	**-**	-
Non-current receivables	16,17	**1.3**	1.5	**0.4**	2.0
Deferred tax receivables	23	**5.9**	5.9	**-**	-
Current receivables	16,17	**70.7**	65.1	**80.6**	80.4
Current financial assets	18	**-**	0.7	**-**	0.7
Cash and bank deposits		**5.7**	6.0	**1.1**	2.0
		157.5	151.5	**82.1**	85.1
		262.5	263.8	**178.6**	184.4
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity					
Share capital	19	**15.0**	15.0	**15.0**	15.0
Contingency fund	19	**26.0**	26.0	**22.1**	22.1
Revaluation fund	19	**12.4**	13.0	**12.4**	12.9
Other funds	19	-	-	**19.6**	19.9
Retained earnings	19	**39.1**	33.6	**18.0**	20.2
Net result for the financial year	19	**1.7**	7.5	**1.7**	0.0
	19,20	**94.2**	95.1	**88.8**	90.1
Appropriations	21	**-**	-	**0.7**	0.7
Provisions	22	**8.9**	8.2	**1.6**	1.0
Liabilities					
Deferred tax liability	23	**1.9**	1.4	**-**	-
Non-current liabilities	24,25,31	**79.6**	88.7	**51.5**	56.9
Current liabilities	26,27,31	**77.9**	70.4	**36.0**	35.7
		159.4	160.5	**87.5**	92.6
		262.5	263.8	**178.6**	184.4

Cash Flow Statement

MILLION EURO	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Income from operations				
Operating result after depreciation	**18.1**	13.4	**-1.8**	-2.2
Depreciation	**12.7**	14.7	**0.3**	0.3
Financial income and expenses	**-5.2**	-5.0	**1.0**	2.6
Extraordinary items	**-8.2**	-1.5	**8.1**	9.9
Taxes	**-3.1**	0.7	**-0.5**	-0.3
Income from operations	**14.3**	22.2	**7.1**	10.3
Increase (-) / decrease (+) in inventories	**-1.6**	-7.1	**-**	-
Increase (-) / decrease (+) in current receivables	**-5.3**	-9.2	**-0.2**	-17.4
Increase (+) / decrease (-) in short-term non-interest bearing liabilities	**-2.9**	1.9	**-12.5**	10.3
Change in net working capital	**-9.8**	-14.4	**-12.7**	-7.1
Increase (+) / decrease (-) in provisions	**0.8**	-9.4	**0.7**	0.3
Cash flow from operations	**5.3**	-1.6	**-4.9**	3.6
Investments in fixed assets	**-16.8**	-25.3	**-3.1**	-9.4
Income from sale of fixed assets (book value)	**10.3**	13.1	**4.9**	0.5
	-6.5	-12.2	**1.8**	-8.8
Cash flow before financing	**-1.2**	-13.8	**-3.1**	-5.3
Increase (-) / decrease (+) in non-current receivables	**-0.7**	-0.9	**-3.6**	8.4
Increase (+) / decrease (-) in non-current debt	**-8.6**	10.5	**-5.5**	8.3
Increase (+) / decrease (-) in current debt	**10.4**	4.4	**12.8**	-9.9
Dividend payments	**-2.2**	-1.9	**-2.2**	-1.9
Increase (+) / decrease (-) in minority interest	**0.0**	0.0	**-**	-
Cash flow from financing	**-1.1**	12.0	**1.5**	4.9
Cash flow after financing	**-2.3**	-1.8	**-1.6**	-0.3
Adjustments	**1.4**	-1.1	**-**	-
Increase (+) / decrease (-) in liquid assets	**-0.9**	-2.9	**-1.6**	-0.3

Accounting Principles

Principles of consolidation

The consolidated financial statements cover the parent company and all those companies in which the Group, directly or indirectly, has over half of the voting rights. The accounts of new Group companies are incorporated into the Group's reporting from the acquisition date. The accounts of divested companies are included in the Group's financial statements up to the day of divestiture.

Intra-Group transactions are eliminated. Elimination of Group share ownership is carried out by the acquisition cost method. The value of the shares of subsidiaries has accordingly been balanced against subsidiary equity at the date of acquisition. In eliminating the shareholders' equity of subsidiaries, also the share of untaxed reserves at the date of acquisition excluding the deferred tax liability is considered as shareholders' equity. The difference between the acquisition price of the shares and the total value of the subsidiary is recorded under fixed assets or Group goodwill. Goodwill is depreciated straight-line over five or ten years. In the case of depreciation for goodwill that involves augmentation of a product line, the depreciation is taken over ten years, in view of their long-term strategic significance.

Associated companies are consolidated using the equity method. The per centage of the associated companies' financial result that conforms to the Group's holding are recorded in the Group's income statement as a financial item.

Foreign subsidiaries

The income statements of subsidiaries outside Finland are translated into euro using the average exchange rates.
The balance sheets are translated using the exchange rates quoted on the date of the financial statements. The resulting exchange differences have been entered under shareholders' equity. The conversion discrepancy related to subsidiary equity and arising from the difference between the year-end exchange rate and the exchange rate at the date of acquisition is included in consolidated retained earnings.

The Group protects the equity of certain subsidiaries outside Finland by the so-called equity-hedging method. The rate-of-exchange discrepancies applicable to the hedging in the Group's consolidated financial statements are entered under equity against the conversion discrepancy related to subsidiary equity.

Foreign-currency items

Receivables and liabilities denominated in foreign currencies have been valued using the exchange rate quoted on the balance sheet date. Exchange rate differences arising from the valuation of financial receivables and liabilities are entered in the income statement under financial exchange rate differences while other exchange rate differences are included in operating profit. Unhedged transactions denominated in foreign currency are recorded at the rates prevailing on the transaction dates and hedged transactions are recorded at the hedged rate.

The Group hedges its exposure in foreign currencies with derivatives. The interest element applicable to the derivatives is accrued as interest income or expense over the period to maturity, and the exchange rate differences are recorded under financial exchange rate differences or under corresponding hedged item in profit and loss account. Open hedging instruments are valued according to the exchange rate quoted on the balance sheet date and are recorded in the income statement. The foreign-exchange gains or losses on instruments that hedge the Group's future cash flow are though entered in the income statement once the underlying income or expense occurs.

Research and development expenses

All research and development expenses have been charged against the year they occur.

Pension arrangements

In Finland, statutory pension insurance is handled through pension insurance companies. Non-current pension liabilities predating the current pension legislation are entered under extraordinary expenses in the income statement and under provisions in the balance sheet. In non-Finnish subsidiaries, insurance has been provided in accordance with the legislation and practices prevailing in each country. The Group does not have its own pension fund.

Warranty expenses

The estimated future warranty expenses of delivered products have been entered as current liabilities. Actual warranty expenses, reckoned as the change in warranty liability, have been charged against the net result for the year.

Inventory valuation

Inventories are valued according to their acquisition price, resale price or probable selling price, whichever is lowest, using the FIFO principle. The value of the inventories of the Group companies includes the indirect costs of acquisition and manufacturing, as well as the direct cost of acquisition.

Valuation and depreciation of fixed assets

Fixed assets are capitalized using their original acquisition price minus planned depreciation. The balance sheet values of land include revaluation. The Group companies have not capitalized interest expenses under fixed assets. Planned depreciation has been calculated straight-line on the basis of the original acquisition cost and the asset's economic lifetime, as follows:

- Buildings 20–30 years
- Machinery and equipment 5–10 years
- Other 3–5 years
- Roads 40 years

Land and water areas are not depreciated.

Leasing

Leasing costs are carried as rental expenses. The lease agreement's remaining contractual term and possible remaining value are presented as a lease liability.

Revaluation

Pre-1974 revaluations of land areas are included in the book value for those land areas, while revaluations made since 1974 are presented as a separate item in the balance sheets, under tangible assets. The counter item is the revaluation fund. At the date of sale the revaluations of the land areas are cancelled.

Extraordinary income and expenses

Income and expenses originating in significant structural changes and divestitures external to actual operations are presented as extraordinary income and expenses.

Appropriations

The appropriations consist of voluntary reserves and accumulated depreciation. In the Group income statement, the change in the Group companies' appropriations are allocated to the result for the period and to the change in deferred tax liability. In the Group balance sheet, the Group companies' appropriations are allocated to the shareholders' equity and the deferred tax liability. The portion of the appropriations entered under shareholders' equity is not included in the Group's distributable assets.

Provisions

Provisions consist of contractual or otherwise binding obligations that have not yet been realized. These may include such things as the Group's uncovered pension liability and expenses of restructuring. Changes in provisions are incorporated into the income statement.

Income taxes

In the income statement, taxes on Group companies income for the period on the basis of local tax regulations, adjustments in taxes for prior periods and deferred tax, are entered as income taxes. Taxes falling under extraordinary items are described in the notes to the financial statements.

A deferred tax liability or refund is calculated for temporary discrepancies between the tax assessment and the financial statement, utilizing the tax rate approved for upcoming years as of the balance sheet date. The balance sheet includes the deferred tax liability by country in its entirety, while the deferred tax refund is calculated according to the estimated probable size of the refund.

Outside balance sheet there are deferred tax liabilities referring to revaluations of land areas and deferred tax receivables referring to accepted losses.

Notes to the Financial Statements

Income statement	MILLION EURO	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
1. Net sales	**Net sales by division**				
	Metos	**162.4**	142.9	**-**	-
	Designor	**134.0**	132.1	**-**	-
	Total	**296.4**	275.0	**-**	-
	Group functions and others	**1.1**	41.1	**1.0**	0.9
	Internal eliminations	**0.0**	-0.3	**-**	-
	Total	**297.5**	315.8	**1.0**	0.9
	Net sales by country				
	Finland	**156.8**	163.2	**1.0**	0.9
	Sweden	**69.1**	72.0	**-**	-
	Norway	**32.9**	33.2	**-**	-
	Denmark	**8.1**	8.0	**-**	-
	The Netherlands	**8.3**	7.8	**-**	-
	Belgium	**2.7**	0.0	**-**	-
	Great Britain	**0.1**	0.0	**-**	-
	France	**2.1**	21.2	**-**	-
	Germany	**0.0**	1.2	**-**	-
	Italy	**58.7**	47.5	**-**	-
	Estonia	**3.8**	3.4	**-**	-
	Poland	**0.0**	0.8	**-**	-
	Hungary	**1.1**	1.9	**-**	-
	Latvia	**0.9**	0.3	**-**	-
	Lithuania	**0.6**	0.2	**-**	-
	Russia	**1.0**	1.4	**-**	-
	USA	**3.9**	4.3	**-**	-
	Internal eliminations	**-52.6**	-50.6	**-**	-
	Total	**297.5**	315.8	**1.0**	0.9
	Net sales by market area				
	Nordic Countries	**197.9**	205.7	**1.0**	0.9
	Other Europe	**80.8**	88.3	**-**	-
	North America	**4.4**	6.1	**-**	-
	Other	**14.4**	15.7	**-**	-
	Total	**297.5**	315.8	**1.0**	0.9
2. Materials and services	Raw materials and supplies				
	Purchases	**104.0**	114.1	**0.0**	0.0
	Changes in inventories	**-3.6**	-9.2	**-**	-
		100.4	104.9	**0.0**	0.0
	External services	**8.4**	9.6	**0.2**	0.2
		8.4	9.6	**0.2**	0.2
3. Personnel expenses	Wages and Salaries	**65.2**	70.8	**1.4**	1.4
	Pension expenses	**12.0**	10.7	**0.8**	0.4
	Other personnel expenses	**20.3**	22.9	**0.1**	0.1
	Total	**97.5**	104.4	**2.3**	1.9
Compensation to the board and CEO	Chief Executive officer and Members of the Board	**2.3**	2.3	**0.4**	0.4
Amount of personnel	**In average**				
	Metos	**1 166**	1 081	**-**	-
	Designor	**1 431**	1 504	**-**	-
	Group functions and others	**45**	437	**19**	21
	Total	**2 642**	3 022	**19**	21

	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Dec. 31				
Metos	**1 196**	1 080	**-**	-
Designor	**1 344**	1 480	**-**	-
Group functions and others	**39**	50	**18**	22
Total	**2 579**	2 610	**18**	22
Amount of personnel by country Dec. 31				
Finland	**1 374**	1 389	**18**	22
Sweden	**525**	479	**-**	-
Norway	**150**	176	**-**	-
Denmark	**21**	19	**-**	-
The Netherlands	**24**	25	**-**	-
Belgium	**10**	0	**-**	-
Great Britain	**3**	0	**-**	-
France	**10**	4	**-**	-
Italy	**391**	368	**-**	-
Germany	**2**	0	**-**	-
Estonia	**41**	36	**-**	-
Latvia	**6**	4	**-**	-
Lithuania	**6**	3	**-**	-
Hungary	**0**	93	**-**	-
Russia	**8**	5	**-**	-
USA	**8**	9	**-**	-
Total	**2 579**	2 610	**18**	22

4. Depreciation according to plan

	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Depreciation by function				
Cost of goods sold	**5.7**	7.3	**0.0**	0.0
Sales and marketing	**1.4**	1.2	**-**	-
Administration	**2.4**	2.5	**0.3**	0.3
Other operating expenses	**0.2**	0.2	**-**	-
Total	**9.7**	11.2	**0.3**	0.3
Group Goodwill	**3.0**	3.5	**-**	-
Total	**12.7**	14.7	**0.3**	0.3

5. Other operating income

	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Rental income	**0.4**	0.5	**0.4**	0.3
Gains on sale of fixed assets	**3.4**	0.8	**1.1**	0.6
Refunded pension premiums (SPP)	**0.0**	1.7	**-**	-
Others	**2.0**	0.3	**0.0**	0.1
Total	**5.8**	3.3	**1.5**	1.0

6. Other operating expenses

	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Research and development	**8.2**	8.8	**-**	-
Others	**3.0**	2.6	**0.0**	0.1
Total	**11.2**	11.4	**0.0**	0.1

7. Operating result by division

	Group 2001	Group 2000	Hackman Oyj Abp 2001	Hackman Oyj Abp 2000
Metos	**12.1**	9.7	**-**	-
Designor	**9.3**	10.0	**-**	-
Total	**21.4**	19.7	**-**	-
Group functions and others	**-1.8**	-5.4	**-1.8**	-2.2
Internal eliminations	**-1.5**	-1.0	**-**	-
Total	**18.1**	13.3	**-1.8**	-2.2

		Group		Hackman Oyj Abp	
		2001	2000	**2001**	2000
8. Financial income and expenses	**Dividend income**				
	From group companies	**-**	-	**0.0**	2.0
	From others	**0.2**	0.1	**0.1**	0.1
	Total	**0.2**	0.1	**0.1**	2.1
	Interest income from long-term investments				
	From others	**0.1**	0.0	**-**	-
	Total	**0.1**	0.0	**0.0**	0.0
	Total income from long-term investments	**0.3**	0.1	**0.1**	2.1
	Other interest- and financial income				
	From group companies	**-**	-	**4.6**	3.8
	From others	**0.6**	0.6	**1.3**	1.3
	Total	**0.6**	0.6	**5.9**	5.1
	Total interest income from long-term investments and other interest- and financial income	**0.9**	0.7	**6.0**	7.2
	Interest expenses and other financial expenses				
	To group companies	**-**	-	**-1.1**	-0.9
	To others	**-6.1**	-5.7	**-3.9**	-3.7
	Total	**-6.1**	-5.7	**-5.0**	-4.6
	Total financial income and expenses	**-5.2**	-5.0	**1.0**	2.6
	Interest expenses and other financial expenses includes exchange rate difference (net)	**-0.2**	0.5	**1.0**	0.6
9. Extraordinary items	**Extraordinary income**				
	Group contribution	**-**	-	**9.7**	10.2
	Other	**1.6**	-	**0.3**	0.0
	Total	**1.6**	0.0	**10.0**	10.2
	Extraordinary expenses				
	Restructuring expenses	**-9.6**	-1.5	**-6.1**	-10.4
	Others	**-0.2**	0.0	**-0.9**	0.0
	Total	**-9.8**	-1.5	**-7.0**	-10.4
	Total extraordinary items	**-8.2**	-1.5	**3.0**	-0.2
10. Change in provisions	Administrative expenses	**-0.3**	0.2	**-0.2**	-0.1
	Other operating expenses	**2.8**	-0.6	**0.0**	0.0
	Extraordinary expenses	**-4.7**	9.8	**0.9**	0.3
	Extraordinary income	**1,5**	-	**-**	-
	Total	**-0.7**	9.4	**0.7**	0.2
11. Appropriations	Change in accumulated depreciation in excess of plan	**-**	-	**0.0**	0.1
	Total	**-**	-	**0.0**	0.1
12. Direct taxes	On ordinary activities, financial year	**-3.4**	-3.1	**-0.5**	-0.3
	Change in deferred tax	**-0.5**	3.8	**-**	-
	From earlier periods	**0.8**	0.0	**0.0**	0.0
	Total	**-3.1**	0.7	**-0.5**	-0.3

Notes to the balance sheet

13. Fixed assets
Intangible assets

Group

	Intangible rights	Other long-lived assets	Group Goodwill	Goodwill	Total
Acquisition value Jan. 1, 2001	3.5	11.8	28.9	2.3	**46.5**
Conversion discrepancy	0.1	-0.4	-0.1	1.6	**1.2**
Investments	0.8	1.4	1.2	1.2	**4.6**
Completely depreciated	-0.9	0.0	0.0	0.0	**-0.9**
Acquisition value					
31.12.2001	**3.5**	**12.8**	**30.0**	**5.1**	**51.4**
31.12.2000	3.5	11.8	28.9	2.3	46.5
Accumulated depreciation and reductions in value					
Jan. 1, 2001	-2.1	-9.5	-6.1	-0.9	**-18.6**
Conversion discrepancy	-0.1	0.0	-	0.0	**-0.1**
Depreciation during the year	-0.5	-0.9	-3.0	-0.4	**-4.8**
Completely depreciated	0.9	0.0	0.0	-1.5	**-0.6**
Accumulated depreciation					
31.12.2001	**-1.8**	**-10.4**	**-9.1**	**-2.8**	**-24.1**
31.12.2000	-2.1	-9.5	-6.1	-0.9	-18.6
Book value					
31.12.2001	**1.7**	**2.4**	**20.9**	**2.3**	**27.3**
31.12.2000	1.4	2.3	22.8	1.4	27.9

Tangible assets
Group

	Forest, land & water	Buildings	Machinery and equipment	Other tangible assets	Prepayments	Total
Acquisition value Jan. 1, 2001	15.1	25.7	87.4	2.1	1.2	**131.4**
Conversion discrepancy	-	-0.3	-0.3	0.0	-	**-0.6**
Investments	-	0.1	8.1	0.3	0.5	**9.0**
Disposals	-3.7	-5.6	-7.6	-0.1	-	**-17.0**
Completely depreciated	-	0.2	0.0	0.3	-	**0.5**
Acquisition value						
31.12.2001	**11.4**	**20.1**	**87.6**	**2.6**	**1.7**	**123.4**
31.12.2000	15.1	25.7	87.4	2.1	1.2	131.4
Accumulated depreciation and reductions in value						
Jan. 1, 2001	0.0	-9.4	-62.8	-1.1	0.0	**-73.3**
Conversion discrepancy	-	0.1	0.1	-	-	**0.2**
Accumulated depreciation in disposals and transfers	-	1.8	5.3	0.1	-	**7.2**
Depreciation during the year	-	-1.0	-6.7	-0.2	-	**-7.9**
Completely depreciated	-	0.1	0.0	-0.3	-	**-0.2**
Accumulated depreciation						
31.12.2001	**0.0**	**-8.4**	**-64.1**	**-1.5**	**0.0**	**-74.0**
31.12.2000	0.0	-9.4	-62.8	-1.1	0.0	-73.3
Revaluation	21.2	-	-	-	-	**21.2**
Book value						
31.12.2001	**32.6**	**11.7**	**23.5**	**1.1**	**1.7**	**70.6**
31.12.2000	36.7	16.4	24.6	1.0	1.2	79.9
Machinery and equipment used in production						
31.12.2001			**18.7**			
31.12.2000			18.1			

Fixed assets
Intangible and Tangible assets

Hackman Oyj Abp

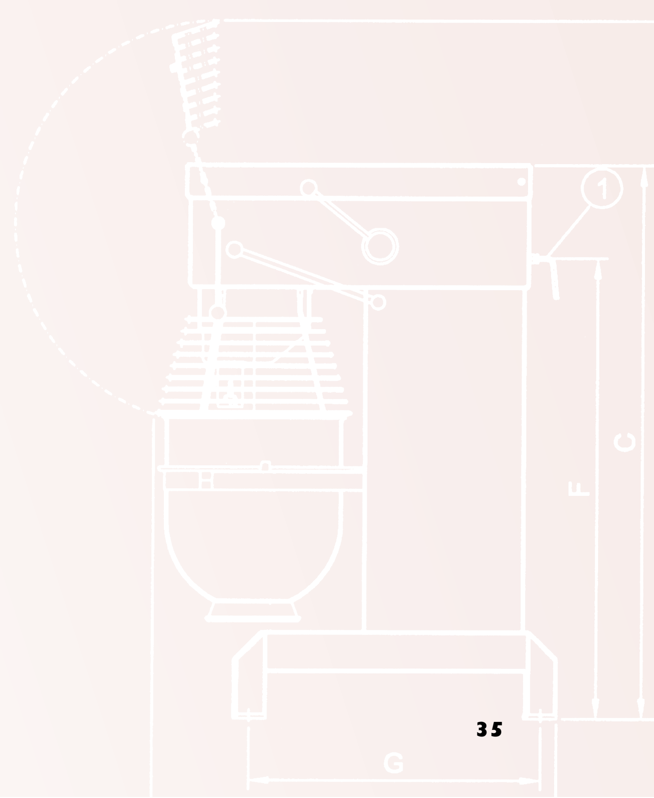
	Other long-lived assets	**Total intangible**	Forest, land & water	Buildings	Machinery and equipment	Other tangible assets	**Total tangible**
Acquisition value Jan.1.2001	0.5	**0.5**	14.4	3.6	0.7	0.3	**19.0**
Investments	-	**-**	-	-	0.1	0.0	**0.1**
Disposals	0.0	**0.0**	-3.4	-	-0.1	-	**-3.5**
Acquisition value							
31.12.2001	0.5	**0.5**	**11.0**	**3.6**	**0.7**	**0.3**	**15.6**
31.12.2000	0.6	0.6	14.4	3.7	0.7	0.3	19.1
Accumulated depreciations Jan 1, 2001	-0.3	**-0.3**	0.0	-1.6	-0.5	0.0	**-2.1**
Accumulated depreciation in disposals and transfers		**0.0**	-	-	0.1	-	**0.1**
Depreciation during the year	-0.1	**-0.1**	-	-0.1	-0.1	0.0	**-0.2**
Accumulated depreciation							
31.12.2001	-0.4	**-0.4**	**0.0**	**-1.7**	**-0.5**	**0.0**	**-2.2**
31.12.2000	-0.4	-0.4	0.0	-1.6	-0.6	0.0	-2.2
Revaluation after year 1974	-	**0.0**	21.2	-	-	-	**21.2**
Book value							
31.12.2001	0.1	**0.1**	**32.2**	**1.9**	**0.2**	**0.3**	**34.6**
31.12.2000	0.2	0.2	36.0	2.1	0.1	0.3	38.5

14. Investments
Group

	Shares in associated companies	Other shares	Other receivables	Other investments	**Total**
Acquisition value Jan.1.2001	0.2	2.5	1.8	0.0	**4.5**
Increase	0.3	2.9	-	0.7	**3.9**
Decrease	-	-1.3	-	-	**-1.3**
Acquisition value / Book value					
31.12.2001	**0.5**	**4.1**	**1.8**	**0.7**	**7.1**
31.12.2000	0.2	2.5	1.8	0.0	4.5

Hackman Oyj Abp

	Shares in Group companies	Other shares	Other receivables	**Total**
Acquisition value Jan.1.2001	57.4	2.0	1.2	**60.6**
Increase	11.3	2.9	-	**14.2**
Decrease	-11.7	-1.3	-	**-13.0**
Acquisition value / Book value				
31.12.2001	**57.0**	**3.6**	**1.2**	**61.8**
31.12.2000	57.4	2.0	1.2	60.6



		Group		Hackman Oyj Abp	
		2001	2000	**2001**	2000
15. Inventories	Raw materials and supplies	**17.6**	19.8	**-**	-
	Work in progress	**13.5**	16.0	**-**	-
	Finished goods	**36.9**	31.6	**-**	-
	Other inventories	**5.9**	4.9	**-**	-
	Total	**73.9**	72.3	**0.0**	0.0
16. Receivables					
Non-current	**Receivables from Group**				
	Loan receivables	**-**	-	**0.1**	1.8
		-	-	**0.1**	1.8
	Other				
	Loan receivables	**-**	-	**0.2**	-
	Prepayments and accrued income	**0.4**	0.2	**-**	-
	Other receivables	**0.9**	1.3	**0.1**	0.2
		1.3	1.5	**0.3**	0.2
	Total	**1.3**	1.5	**0.4**	2.0
Current	**Receivables from Group**				
	Accounts receivables	**-**	-	**0.5**	0.4
	Loan receivables	**-**	-	**68.7**	61.7
	Prepayments and accrued income	**-**	-	**10.0**	13.1
	Other receivables	**-**	-	**0.0**	0.8
		-	-	**79.2**	76.0
	Other				
	Accounts receivables	**57.4**	49.0	**0.1**	0.3
	Loan receivables	**0.1**	3.0	**0.0**	0.0
	Prepayments and accrued income	**5.5**	6.2	**1.0**	2.0
	Other receivables	**7.7**	6.9	**0.3**	2.1
		70.7	65.1	**1.4**	4.4
	Total	**70.7**	65.1	**80.6**	80.4
17. Material items in prepayments and accrued income	Dividend	**-**	-	**0.0**	2.0
	Prepaid expenses	**0.8**	0.3	**-**	-
	Income tax receivables	**1.5**	0.9	**0.7**	0.8
	Partial payment receivables	**0.0**	1.0	**-**	-
	Accrued exchange contracts	**0.2**	1.0	**0.1**	1.3
	Other	**3.4**	3.2	**10.2**	11.0
	Total	**5.9**	6.4	**11.0**	15.1
18. Market value of current financial assets	Market value	**0.0**	0.7	**0.0**	0.7
	Corresbonding book value	**0.0**	0.7	**0.0**	0.7
	Difference	**0.0**	0.0	**0.0**	0.0
19. Shareholders' equity	**Share capital Jan. 1**	**15.0**	15.0	**15.0**	15.0
	Share capital Dec. 31	**15.0**	15.0	**15.0**	15.0
	Contingency fund Jan. 1	**26.0**	26.0	**22.1**	22.1
	Contingency fund Dec.31	**26.0**	26.0	**22.1**	22.1
	Revaluation fund Jan. 1	**13.0**	13.0	**12.9**	12.9
	Disposals of tangible assets	**-0.6**	-	**-0.5**	-
	Revaluation fund Dec. 31	**12.4**	13.0	**12.4**	12.9
	Parent company operating fund Jan.1	**-**	-	**19.9**	19.9
	Released revaluations	**-**	-	**-0.3**	-
	Parent company operating fund Dec. 1	**0.0**	0.0	**19.6**	19.9

		Group		Hackman Oyj Abp	
		2001	2000	**2001**	2000
	Retained earnings Jan.1	**41.1**	36.7	**20.2**	22.0
	Dividend payment	**-2.2**	-1.8	**-2.2**	-1.8
	Conversion discrepancy	**0.5**	-1.3	**-**	-
	Released revaluations	**-0.3**	-	**-**	-
	Retained earnings Dec.31	**39.1**	33.6	**18.0**	20.2
	Result for the year	**1.7**	7.5	**1.7**	0.0
		40.8	41.1	**19.7**	20.2
	Total	**94.2**	95.1	**88.8**	90.1
20. Distributable equity	Parent company operating fund	**-**	-	**19.6**	19.9
	Retained earnings	**39.1**	33.6	**18.0**	20.2
	Result for the year	**1.7**	7.5	**1.7**	0.0
	From voluntary reserves and accelerated depreciation to shareholders' equity allocated part	**-11.8**	-8.5	**-**	-
	Total	**29.0**	32.6	**39.3**	40.1
21. Accumulated appropriations	**Accumulated depreciation in excess of plan**				
	In buildings	**-**	-	**0.7**	0.7
	In machinery and equipment	**-**	-	**0.0**	0.0
	Total	**-**	-	**0.7**	0.7
22. Provisions	Restructuring	**7.1**	3.9	**-**	-
	Pension liabilities	**1.4**	1.1	**0.3**	0.3
	Other	**0.4**	3.2	**1.3**	0.7
	Total	**8.9**	8.2	**1.6**	1.0
23. Deferred tax receivables and liabilities	**In balance sheet**				
	Deferred tax receivables				
	From timing differencies	**5.9**	5.9	**-**	-
	Total	**5.9**	5.9	**0.0**	0.0
	Deferred tax liabilities				
	From appropriations	**0.9**	0.4	**-**	-
	From consolidation	**1.0**	1.0	**-**	-
	Total	**1.9**	1.4	**0.0**	0.0
	Outside of balance sheet				
	Deferred tax receivables				
	From accepted losses in taxation	**2.6**	2.7	**6.2**	6.2
	From timing differencies	**1.8**	2.1	**0.5**	0.3
	Total	**4.4**	4.8	**6.7**	6.5
	Deferred tax liabilities				
	From revaluations	**7.9**	8.1	**7.9**	8.1
	Total	**7.9**	8.1	**7.9**	8.1
24. Non-current liabilities	Liabilities to financial institutions	**30.0**	36.4	**25.2**	29.7
	Pension loans	**23.0**	27.6	**6.3**	7.2
	Accruals and deferred expenses	**1.9**	-	**-**	-
	Other liabilities *	**24.7**	24.7	**20.0**	20.0
	Total	**79.6**	88.7	**51.5**	56.9
	* Incl. bond 1999.03 / 2004.03 4,55%				
25. Liabilities maturing after five years	Liabilities to financial institutions	**2.8**	3.7	**0.0**	0.8
	Pension loans	**7.1**	8.0	**2.5**	3.4
	Deferred tax liabilities	**1.9**	1.5	**-**	-
	Other liabilities	**0.0**	0.0	**-**	-
	Total	**11.8**	13.2	**2.5**	4.2

		Group		Hackman Oyj Abp	
		2001	2000	**2001**	2000
26. Current liabilities	**Other**				
	Liabilities to financial institutions	**18.2**	7.7	**12.5**	0.4
	Pension loans	**3.1**	3.2	**1.0**	1.0
	Advance payments	**1.2**	0.8	**-**	-
	Accounts payable	**25.0**	24.4	**0.2**	0.1
	Accruals and deferred expenses	**19.9**	19.5	**1.8**	1.5
	Other liabilities	**10.5**	14.8	**0.1**	2.4
		77.9	70.4	**15.6**	5.4
	Liabilities Group				
	Accounts payable	**-**	-	**0.1**	0.1
	Accruals and deferred expenses	**-**	-	**0.0**	0.5
	Other liabilities	**-**	-	**20.3**	29.7
		-	-	**20.4**	30.3
	Total	**77.9**	70.4	**36.0**	35.7
27. Material items in accruals and deferred expenses	Accrued wages salaries, social expenses	**14.9**	12.1	**0.4**	0.2
	Tax liability	**1.6**	1.7	**0.0**	0.1
	Interest liabilities	**1.5**	1.5	**1.1**	1.4
	Other	**3.8**	4.2	**0.3**	0.3
	Total	**21.8**	19.5	**1.8**	2.0
28. Given securities and contingent liabilities	**Liabilities, real estate mortgage as security**				
	Non-current and current loans from credit institutions	**4.0**	6.0	**2.9**	3.3
	Real estate mortgaged as security for the above	**11.2**	12.8	**9.6**	9.6
	Pension loans	**9.9**	10.7	**4.7**	4.8
	Real estate mortgaged as security for the above	**12.2**	12.2	**12.2**	12.2
	Total real estate mortgaged as security for loans	**19.8**	21.3	**18.1**	18.1

Real estate mortgage has been given as security for both loans from credit institutions and pension loans.

Liabilities, chattel mortgage as security				
Non-current and current loans from credit institutions	**0.0**	1.8	**-**	-
Chattel mortgaged as security for the above	**0.0**	5.0	**-**	-
Pension loans	**1.8**	1.1	**-**	-
Chattel mortgaged as security for the above	**1.1**	1.1	**-**	-
Total chattel mortgaged as security for loans	**1.1**	6.1	**-**	-

Chattel mortgage has been given as security for both loans from credit institutions and other commitments.

Other collaterals for own commitments				
Mortgages on real estate	**0.0**	0.1	**-**	-
Mortgages on chattels	**0.0**	5.0	**-**	-
Total collaterals for own commitments	**0.0**	5.1	**-**	-
Collaterals on behalf of Group companies				
Mortgages on real estate	**-**	-	**8.5**	8.5
Guarantees	**-**	-	**22.8**	22.4
Total on behalf of Group companies	**-**	-	**31.3**	30.9

Real estate mortgage has been given as security on behalf of both own loans from credit institutions and pension loans.

Collaterals on behalf of third parties				
Guarantees	**0.2**	0.5	**0.1**	0.4

		Group		Hackman Oyj Abp	
		2001	2000	**2001**	2000
	Total collaterals and guarantees				
	Total mortgages on real estate	**19.8**	21.3	**18.1**	18.1
	Total mortgages on chattels	**1.1**	6.1	**-**	-
	Total guarantees	**0.2**	0.5	**22.9**	22.8
	Other liabilities	**0.8**	1.5	**-**	-
29. Financial derivative contracts	Forward foreign exchange contracts, nominal value	**47.1**	61.4	**63.8**	95.9
30. Leasing liability	**Amount paid regarding leasing agreements**				
	Paid during financial year	**1.7**	1.6	**0.0**	0.0
	Falling due after Dec. 31	**2.7**	2.8	**0.1**	0.1
	Total	**4.4**	4.4	**0.1**	0.1
31. Pension liability and loans to the executives and shareholders	The retirement age for Group company managing directors is 60-67 years				
	The retirement age for chief executive officer of the parent company is 60 years				
	Loans granted to the chief executive officer and Board members	**0.1**	0.1	**0.1**	0.1

32. Group Companies Dec. 31, 2001

		Group Shareholding % *	Hackman Oyj Abp's Shareholding %
METOS	Hackman Metos Oy Ab, Kerava, Finland	100	100
	Hackman Metos AB, Stockholm, Sweden	100	
	Hackman Metos A/S, Oslo, Norway	100	
	Hackman Metos Eesti AS, Tallin, Estonia	100	
	Hackman Metos Latvia SIA, Riga, Latvia	100	
	Hackman Metos UAB, Vilnius, Lithuania	100	
	Hackman Metos OOO, Moscow, Russia	100	
	Wexiödisk AB, Växjö, Sweden	100	
	Hackman Metos SARL, Paris, France	100	
	Dihr S.p.A., Castelfranco, Italy	100	
	Kromo Srl , Loria, Italy	100	
	PW System AB, Malmö, Sweden	100	
	Olis S.p.A., Belluno, Italy	100	
	Polaris S. p. A., Belluno, Italy	100	
	Metos Belgium N.V., Aalst, Belgium	100	
	Metos N.V., Aalst, Belgium	100	
	Nordien-System UK Ltd, Hertfordshire, England	100	
	Metos Grossküchensysteme GmbH, Weikersheim, Germany	40	
DESIGNOR	Designor Oy Ab, Helsinki, Finland	100	100
	Designor AB, Lidköping, Sweden	100	
	Designor AS, Moss, Norway	100	
	Designor A/S, Copenhagen, Denmark	100	
	Designor B.V. , Breda, Netherlands	100	
	Designor Inc., Cherry Hill, USA	100	
	Hackman Eesti AS, Tallin, Estonia	100	
	Hackman Polska Z.o.o., Warsaw, Poland	100	
	Nilsjohan AB, Lidköping, Sweden	100	
CORPORATE SERVICE	Hadwaco Ltd Oy, Helsinki, Finland	100	100
	Hadwaco Inc., Atlanta, USA	100	
	Hackman TTT GmbH, Wipperfürth, Germany	100	
	Hackman Kiinteistöt Oy Ab, Helsinki, Finland	100	100
	Hackman Norge A/S, Moss, Norge	100	100
	Wedholms S.A., Nevers, France	100	98

*Shareholding equals voting rights

33. Associated Companies Dec. 31, 2001

	Group Shareholding %	Group No. of Shares	Hackman Oyj Abp's Shareholding %	Shareholders' equity million euro	Result for the period million euro
Rörstrands Kulturforum Fastigheter AB Lidköping, Sweden	35.0	3 500		0.6	0.1
Hackman Cutlery Factory and Commercial LLC Fehergyarmat, Hungary	49.0			0.1	-0.2

34. Shares and Holdings Dec. 31, 2001

	Group Shareholding %	Group No. of Shares	Hackman Oyj Abp's Shareholding %
Art and Design City Helsinki Oy Ab		1300	
Helsinki Halli Oy		13	
OKR-liikkeeseenlaskijat osuuskunta		2	
Sampo Vakuutusosakeyhtiö, Helsinki		2040	
* Kiintesitö Oy Annukka, Joutseno	48.1	38	48.1
* Kiinteistö Oy Leppävirran Teollisuustalontie 1	40.0	20	40.0
* Leppävirran matkailukeskus Oy, Leppävirta	33.3	150	33.3
* As Oy Pankkikallio Sorsakoski	28.8	2302	28.8
As Oy Elvalanranta, Tampere		1519	
Guy Degrenne, France		149774	
International Steel Co S.p.A., Italy	10.0	50000	
Others			

* Excluded from Group financial statements due to minor impact

Group Key Ratios and Figures

			1997	1998	1999	2000	**2001**
Net sales		million euro	327.6	329.9	306.6	315.8	**297.5**
Change		%	-4.2	0.7	-7.0	3.0	**-5.8**
Exports and foreign sales		million euro	188.8	211.1	185.7	203.1	**185.7**
Share of net sales		%	57.6	64.0	60.6	64.3	**62.4**
Salaries and benefits		million euro	105.7	107.2	101.0	101.0	**94.7**
Share of net sales		%	32.3	32.5	33.0	32.0	**31.8**
Gross margin		million euro	82.8	92.4	89.3	97.3	**96.8**
Share of net sales		%	25.3	28.0	29.1	30.8	**32.5**
Research and development expenses		million euro	8.0	9.7	8.7	8.8	**8.2**
Share of net sales		%	2.5	2.9	2.8	2.8	**2.8**
Operating result before depreciation		million euro	19.9	27.0	22.8	27.9	**30.8**
Share of net sales		%	6.1	8.2	7.4	8.8	**10.4**
Depreciation according to plan		million euro	15.7	16.2	15.0	14.7	**12.7**
Decrease in group reserve		million euro	0.0	0.0	0.0	0.0	**0.0**
Operating result		million euro	4.2	10.8	7.8	13.3	**18.1**
Share of net sales		%	1.3	3.3	2.5	4.2	**6.1**
Net financial expenses		million euro	4.3	6.2	5.0	5.0	**5.2**
Share of net sales		%	1.3	1.9	1.6	1.6	**1.8**
Result before extraordinary items		million euro	-0.1	4.6	2.8	8.3	**12.9**
Share of net sales		%	0.0	1.4	0.9	2.6	**4.3**
Result before appropriations and taxes		million euro	6.2	10.6	-14.5	6.8	**4.7**
Share of net sales		%	1.9	3.2	-4.7	2.2	**1.6**
Direct taxes, operations		million euro	2.7	-1.0	2.0	0.3	**3.1**
Direct taxes, extraordinary items		million euro	1.0	2.5	-4.4	-1.0	**0.0**
Minority interests		million euro	1.9	0.6	0.2	0.0	**0.1**
Value added		million euro	133.3	141.1	130.6	135.9	**132.6**
Financial result		million euro	19.2	27.8	-1.4	21.2	**14.3**
Share of net sales		%	5.8	8.4	-0.5	6.7	**4.8**
Gross investments		million euro	13.3	32.1	14.7	25.3	**16.8**
Share of net sales		%	4.1	9.7	4.8	8.0	**5.6**
Dividends paid	1)	million euro	1.8	1.8	1.8	2.2	**2.4**
Interest bearing financial assets		million euro	14.8	10.9	10.3	9.7	**6.0**
Interest free financial assets		million euro	56.8	53.4	62.7	69.5	**77.6**
Inventories		million euro	73.1	66.3	65.1	72.3	**73.9**
Fixed assets		million euro	129.6	120.5	113.9	112.3	**105.0**
Interest free liabilities	2,3)	million euro	70.1	62.5	77.4	73.4	**73.7**
Interest bearing liabilities		million euro	92.2	81.9	83.9	95.3	**94.7**
Share of net sales		%	28.2	24.8	27.4	30.2	**31.8**
Net working capital		million euro	69.7	64.5	70.2	82.3	**94.9**
Share of net sales		%	21.3	19.6	22.9	26.1	**31.9**
Minority interests		million euro	9.2	2.7	0.0	0.0	**0.0**
Shareholders' equity	2)	million euro	102.8	104.0	90.7	95.1	**94.2**
Balance sheet total		million euro	274.3	251.1	252.0	263.8	**262.5**
Return on investment	2,3)	%	2.9	5.7	4.7	8.0	**9.9**
Return on equity	2)	%	-2.4	5.1	0.9	8.7	**10.4**
Gearing	2)	%	70.5	67.0	82.0	93.3	**94.4**
Equity ratio	2)	%	41.3	42.7	36.1	36.1	**36.0**
Quick ratio			0.8	0.7	1.2	1.1	**1.1**
Current ratio			1.6	1.5	2.2	2.2	**2.0**
Average number of personnel			3 117	3 225	2 991	3 022	**2 642**
Abroad			1 471	1 521	1 328	1 459	**1 245**
Total personnel Dec. 31			3 084	3 003	2 943	2 610	**2 579**
Abroad			1 430	1 319	1 316	1 221	**1 205**
Net Sales / person		million euro	0.11	0.10	0.10	0.10	**0.11**
Value added / person		million euro	0.04	0.04	0.04	0.04	**0.05**

1) Proposal of the Board for 2001
2) General untaxed reserves have been divided into retained earnings (59-72%) and deferred tax liability (28-41%) according to the current tax rate of each country.
3) Interest free liabilities also include provisions. The corresponding figures for previous years have been adjusted accordingly.

Calculation of Key Ratios

Value added	Operating result before depreciation + salaries and benefits + rental costs
Financial result	Result before appropriations and taxes + planned depreciation - decrease in Group reserves - direct taxes from operations
Net working capital	Non-interest bearing current assets + inventories - current non-interest bearing liabilities
Return on net assets (RNA)	$\frac{\text{Result after financial items + interest and other financial expenses} \times 100}{\text{Average(Balance sheet total - non-interest bearing liabilities)}}$
Return on equity (ROE)	$\frac{\text{Result before extraordinary items - taxes from operations} \times 100}{\text{Average (shareholders' equity + minority interest)}}$
Equity ratio	$\frac{\text{Shareholders' equity + minority interest} \times 100}{\text{Total assets - advances received}}$
Gearing	$\frac{\text{Interest bearing liabilities - cash and bank and other investments} \times 100}{\text{Shareholder's equity + minority interest}}$
Quick ratio	$\frac{\text{Current assets}}{\text{Current liabilities - advances received}}$
Current ratio	$\frac{\text{Current assets + inventories}}{\text{Current liabilities}}$
Earnings per share (EPS)	$\frac{\text{Result before extraordinary items - minority interest - taxes from operations}}{\text{Average number of shares}}$
Cash flow per share	$\frac{\text{Result after financial items + depreciation - taxes from operations}}{\text{Average number of shares}}$
Shareholders' equity / share	$\frac{\text{Shareholders' equity}}{\text{Number of shares at year end}}$
Dividend / share	$\frac{\text{Dividend}}{\text{Number of shares at year end}}$
Dividend as a percentage of earnings	$\frac{\text{Dividend/share} \times 100}{\text{Earnings per share}}$
Effective dividend yield	$\frac{\text{Dividend/share} \times 100}{\text{Year end share price}}$
Price / earnings ratio (P/E)	$\frac{\text{Year end share price}}{\text{Earnings per share}}$

Financial risk management

At HackmanGroup, financial risk management is based on a Treasury Policy approved by the Board. Financing and financial risks are managed centrally by Group Treasury in Helsinki.

Exchange rate risk management

Hackman's exchange rate exposure arises from the Group's cash flows, receivables or debts denominated in, or otherwise affected by, foreign currencies. Finished products in Hackman are normally priced and invoiced in local currencies. Movements in the Swedish krona against the euro constitute the most material risk to our business. Other significant currencies are the Norwegian krone, Danish krone and U.S. dollar.

The shareholders' equity of foreign subsidiaries also poses a material exchange rate risk to Hackman. The principal exposure in this respect is in the Swedish krona.

The Group's exposure to exchange rate risks is monitored for each subsidiary, against several base currencies and on the basis of the net foreign exchange exposure. The risk is hedged primarily by netting currency flows. Subsidiaries hedge their net exposures through the Group Treasury. The risk involved in any open position is hedged with forward foreign exchange agreements or with currency options. The maturity of the contracts to hedge cash flows from business operations does not exceed 12 months.

Extensive hedging against movements in exchange rates is not possible or even practical in countries whose currencies lack the advanced money markets in which sophisticated hedging operations are available. Such countries include Russia, Hungary and Poland. This circumstance does not however expose Hackman to material exchange rate risks.

Interest rate risk management

Hackman's interest rate exposure arises primarily from the Group's debt, investments and cash flows from business operations. The currencies that currently are the most significant in this respect are the euro and the Swedish krona.

In hedging interest rate exposure, it is aimed to keep the risk as close as possible to the position deemed neutral. Our average interest fixing term is 12 months, which represents a neutral position when taking into account the estimated interest rate sensitivity of the operational business.

Liquidity risk

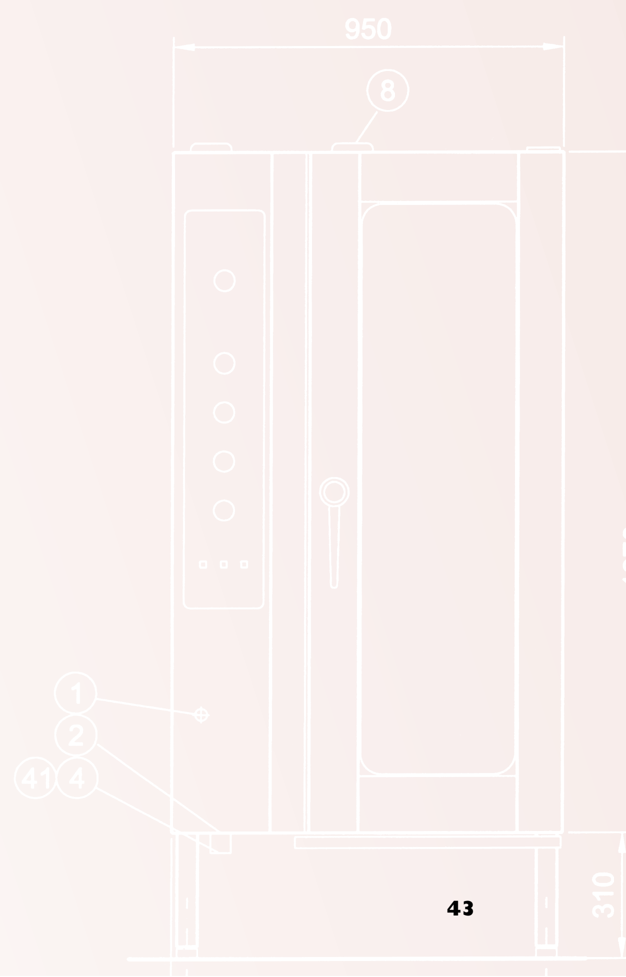
The liquidity risk is minimized in Hackman by maintaining adequate liquidity reserves such as credit facilities and access to financial markets for example through commercial paper programs. Cash funds are invested according to the Treasury Policy, in instruments with low credit risks.

Refinancing risk

Refinancing risk is minimised by ensuring that the loan portfolio's proportion of long-term loans is adequate and by controlling the maturity structure of the long-term debt portfolio.

Counterparty risk

In Hackman counterparty risk (credit risk) arises from derivative contracts and cash investments. Credit risks are minimized by entering into derivative contracts only with financial institutions or brokers within the approved credit limits.



Share Capital, Shares and Shareholders

Hackman Oyj Abp's stock is listed on the Helsinki Stock Exchange since June 1994. Public quotation of Hackman stock began in July 1988, on the Helsinki OTC Exchange.

The paid-in and registered share capital of Hackman Oyj Abp totals 14 960 000.00 euro. According to the company's articles of incorporation, Hackman's minimum capital is 11 245 500.00 euro, and its maximum capital is 33 583 500.00 euro. Within these limits, share capital may be adjusted without amending the articles of incorporation.

Hackman Oyj Abp's shares have a face value of 3.40 euro and are divided into two types: A-shares and K-shares. There are 3 582 500 A-shares, representing 81.4 per cent of the total shares outstanding. Each A-share entitles its holder to one vote at the annual meeting of shareholders. There are 817 500 K-shares, representing 18.6 per cent of all outstanding shares. Each K-share entitles its holder to 20 votes at the annual meeting of shareholders. The articles of incorporation include a repurchasing clause, according to which the company and the other K-share holders enjoy the right of first refusal if K-shares would otherwise come into the possession of a party other than a descendant of Commercial Counsellor Wilhelm Hackman or Consul Carl Edvin Julius Ekström.

According to the articles of incorporation, no shareholder may exercise more than 10 per cent of the voting rights represented at the annual meeting of shareholders.

The articles of incorporation also provide that, in the event of a stock issue, K-shareholders may purchase new K- or A-shares, while A-shareholders may only purchase new A-shares.

K- and A-shares entitle their holders to the same dividend rights.

Board's authority for stock and convertibles

During 2001, the Board of Directors of Hackman Oyj Abp did not have authority to increase the capital stock, or to issue any options or convertibles; nor did the company have any options or convertibles on the market during the year.

Option program for key Group personnel

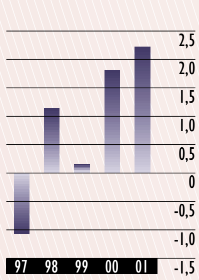
The regular annual meeting of shareholders decided in 1998, to issue options in an amount not to exceed 0.5 million euro to key personnel. The Board of Directors was authorized to attend to the distribution of the option rights. A maximum of 150 000 options may be issued to specified persons, entitling the holders to subscribe to a total of 150 000 A-shares of Hackman Oyj Abp. Of the 150 000 option rights 75 000 will be marked with the letter A and 75 000 with the letter B.

The Board of Directors decided in 1998 to grant 50 key persons the right to subscribe to options. The subscription period will begin in stages, on May 1, 2001, and May 1, 2003, assuming that HackmanGroup's result after financial items exceeds 12.6 million euro in the last financial statements approved before the subscription period. The subscription period for all option certificates will end May 31, 2005. The subscription price will be 42.21 euro per share. The amount of cash dividends distributed after May 1, 1998, but before the subscription, will be deducted from the subscription price per share. The subscription price per share will not be less than the share's face value, however.

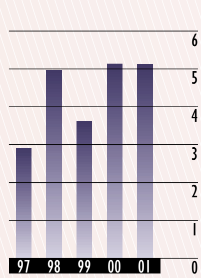
Management holdings

The members of the Board of Directors owned a total of 30 045 K-shares and 88 655 A-shares in the end of December 2001. This represented 3.5 per cent of the company's total voting rights. Members of the Group Executive Board held 5 591 A-shares, carrying less than 0.1 per cent of the company's voting rights.

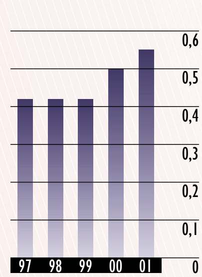
EARNINGS/SHARE, EURO



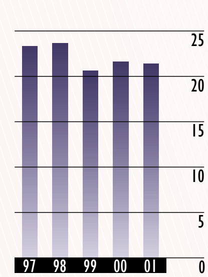
CASH FLOW/SHARE, EURO



DIVIDEND/SHARE, EURO



EQUITY/SHARE, EURO



Dividend distribution policy

The company has no approved dividend distribution policy. In making its recommendation to the annual meeting of shareholders, the Board of Directors considers both the long-term result trend and the company's financial situation. In conformity with the prevailing practice, the annual meeting of shareholders decides each year on the dividend to be distributed.

Shareholder agreements and other commitments

The company has not concluded, nor is it aware of, any shareholder agreements respecting shares, or any other commitments respecting the ownership of the company or the exercise of voting rights.

Share holdings, price and turnover

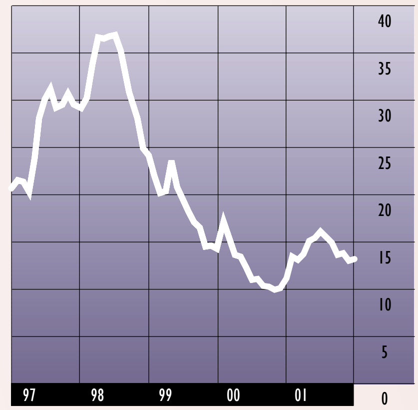
According to the book-entry system, Hackman Oyj Abp had 2 426 shareholders as of December 31, 2001. Nominee-registered and foreign-owned shares totaled 774 370, representing 17.6 per cent of all shares and 6.6 per cent of the voting rights.

In 2001 a total of 525 890 A-shares (2000: 649 671) representing 14.7 per cent of all A-shares outstanding, changed hands. The turnover had a total value of 7.7 million euro (7.7 million).

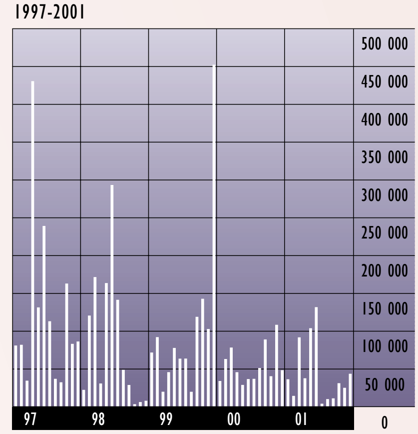
The price of Hackman A-shares reached its 2001 low of 11.35 euro in January and its 2001 high of 17.20 euro in April. At the end of 2001 the share price was 13.21 euro. The total market value of all shares was 58.1 million euro. The average share price for the year was 14.66 euro.

HackmanGroup adapts in its activities to the Insider Guidelines of the Helsinki Exchanges.

A-SHARE PRICES
1997-2001, EUR



A-SHARE TRADING VOLUMES
1997-2001



Share-related key figures		1997	1998	1999	2000	**2001**
Earnings / share	euro	-1.07	1.14	1.16	1.81	**2.22**
Cash flow / share	euro	2.92	4.96	3.61	5.14	**5.12**
Equity / share 1)	euro	23.35	23.64	20.60	21.62	**21.40**
Dividend / share 2)	euro	0.42	0.42	0.42	0.50	**0.55**
Dividend / earnings	%	neg.	36.9	259.0	27.6	**24.8**
Effective dividend yield	%	1.4	1.7	2.5	4.4	**4.2**
Price / earnings ratio (P/E)		neg.	22.1	103.3	6.2	**6.0**

There were no adjustments in stock issues during the five-year period.

1) General untaxed reserves have been divided into retained earnings (59-72%) and deferred tax liability (28-41%)

2) Proposal of the Board of Directors for 2001.

Calculation models for the key figures are presented on page 42.

Changes in share capital 1997-2001

	Change in share volume	Increase/decrease in share capital, euro	New share capital after changes, euro
Reduction 1998	-22 500	- 75 684.57	14 800 537.53
Fund Issue 1999		159 462.47	14 960 000.00

No changes in share capital 1997, 2000-2001

Share capital and shares, 1997-2001	1997	1998	1999	2000	**2001**
Share capital, million euro	14.9	14.8	15.0	15.0	**15.0**
Share volume, 1 000					
A-shares	3 582.5	3 582.5	3 582.5	3 582.5	**3 582.5**
K-shares	817.5	817.5	817.5	817.5	**817.5**
Total number of shares outstanding (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	**4 400.0**
K-shares redeemed (1 000)	22.5	22.5	22.5	22.5	**22.5**
Number of shares at year end (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	**4 400.0**
Average number of shares (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	**4 400.0**

There were no adjustments in stock issues during the five-year period.

Share Price and Turnover		1997	1998	1999	2000	**2001**
Face value	euro	3.36	3.36	3.40	3.40	**3.40**
Finnish Tax value	euro	20.18	16.48	11.66	7.77	**9.66**
Price of A-share	euro					
avarage[1)]		27.26	36.28	16.69	11.87	**14.66**
low		18.84	22.71	13.00	9.06	**11.35**
high		33.64	40.37	30.00	18.80	**17.20**
year end		30.27	25.23	16.75	11.30	**13.21**
Year end total market value [2)]	million euro	133.20	111.0	73.70	49.70	**58.12**
Turnover of A-shares	million euro	40.83	37.30	21.10	7.71	**7.71**
volume	(1000)	1 498.0	1 028.6	1 261.7	649.7	**525.9**
proportion of A-shares outstanding	%	41.8	28.7	35.2	18.1	**14.7**
Total number of shareholders, December 31		2 190	1 992	2 371	2 419	**2 426**

1) Turnover divided by volume of euro-denominated A-shares

2) Number of shares outstanding at year end, multiplied by year end A-share price.

Largest Shareholders

According to book-entry system, Dec. 31, 2001		K-shares Number	%	A-shares Number	%	Total Number	%	Voting rights %
1.	Susanne Hohenthal	35 765	4.4	51 169	1.4	86 934	2.0	3.8
2.	Robin Ekström	35 550	4.3	50 950	1.4	86 500	2.0	3.8
3.	Karsina Oy	34 450	4.2			34 450	0.8	3.5
4.	Helene Franzén	27 380	3.3	61 138	1.7	88 518	2.0	3.1
5.	Christina Diehl	27 722	3.4	48 057	1.3	75 779	1.7	3.0
6.	Birgitta Reims	27 773	3.4	31 326	0.9	59 099	1.3	2.9
7.	Johan Gripenberg	27 773	3.4	30 510	0.9	58 283	1.3	2.9
8.	Ebba Valentini	25 400	3.1	77 320	2.2	102 720	2.3	2.9
9.	Jan Hörhammer	25 000	3.1	85 000	2.4	110 000	2.5	2.9
10.	Christer Gripenberg	29 122	3.6	510	0.0	29 632	0.7	2.9
Total, 10 largest shareholders		295 935	36.2	435 980	12.2	731 915	16.6	31.7
Board members and CEO		30 045	3.7	88 655	2.5	118 700	2.7	3.5
Executive Board members				5 591	0.2	5 591	0.1	0.0

Distribution of shares

According to book-entry system, Dec. 31, 2001	Number of Shareholders	%	Shares (1 000)	%	Votes (1 000)	%
1 - 99	1 192	49.1	56	1.3	60	0.3
100 - 999	979	40.4	243	5.5	399	2.0
1 000 - 9 999	185	7.6	509	11.6	2 492	12.5
10 000 - 99 999	62	2.6	2 355	53.5	14 787	74.2
100 000 - 999 999	8	0.3	1 231	28.0	2 188	11.0
Not transferred to book-entry system			6	0.1	6	0.0
Total	2 426	100.0	4 400	100.0	19 932	100.0

Ownership Structure

According to book-entry system, Dec. 31, 2001	Number of Shareholders	%	Shares (1 000)	%	Votes (1 000)	%
Private individuals	2 207	91.0	2 737	62.2	17 076	85.7
Financial institutions	8	0.3	167	3.8	167	0.8
Companies	157	6.5	173	3.9	829	4.2
Nonprofit institutions	6	0.2	506	11.5	506	2.5
Nonprofit organizations	15	0.6	37	0.9	37	0.2
Foreign and nominee-registered	33	1.4	774	17.6	1 311	6.6
Not transferred to book-entry system			6	0.1	6	0.0
Total	2 426	100.0	4 400	100.0	19 932	100.0

Proposal of the Board of Directors

According to the Group balance sheet the unrestricted equity as of December 31, 2001 amounted to	euro	40 802 000
of which the distributable unrestricted equity amounted to	euro	28 975 000

The Parent Company's unrestricted equity breaks down as follows:

Operational fund, 31 December, 2001	euro	19 578 471
Retained earnings, 31 December, 2001	euro	18 002 297
Profit for the year	euro	1 745 530
	euro	39 326 298

The Board of Directors recommends that:

- a dividend on 2001 of euro 0.55 per share be distributed on the 817 500 K-shares outstanding and on the 3 582 500 A-shares outstanding, the sum totalling:	euro	2 420 000
- a sum is to be retained in the Group's operational fund amounting to	euro	19 578 471
- the remaining sum is to be held in retained earnings:	euro	17 327 827
	euro	39 326 298

Helsinki, 15 February, 2002

Stig Gustavson *Björn Gavelstad*

Jan Hörhammer *Lars Renström*

Berndt Brunow *Harry Harkimo*

Martin Sandelin *Tapio Hintikka*
CEO

Auditors' Report

to the shareholders of Hackman Oyj Abp

We have audited the accounting, the financial statements and the corporate governance of Hackman Oyj Abp for the financial period 1.1. - 31.12.2001. The financial statements, which include the report of the Board of Directors and the consolidated and parent company income statements, balance sheets and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

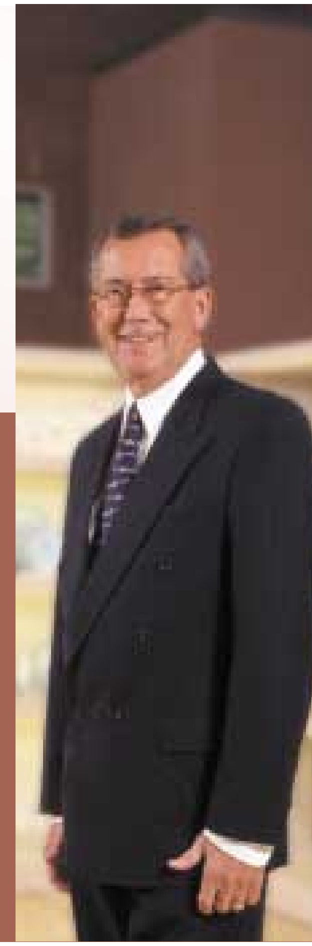
We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require, that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion the financial statements, which for the parent company show a profit of 1 745 530,10 euro, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company´s results of operations and financial position. The financial statements and consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Helsinki, March 7, 2002

Kristian Hallbäck	*Anders Borgström*
Authorised Public Accountant	*Authorised Public Accountant*

Board of Directors, Auditors

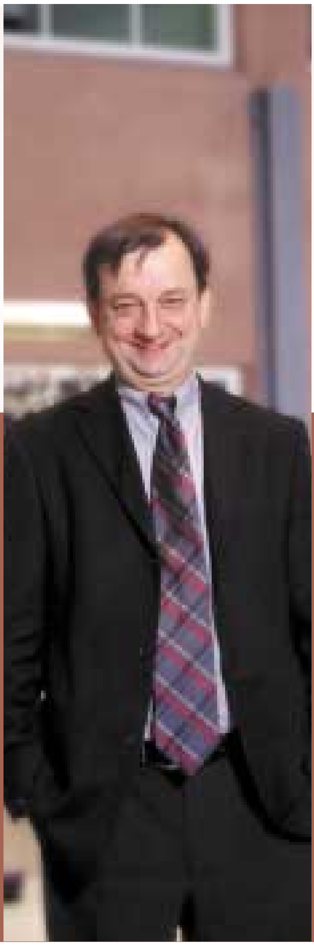


Stig Gustavson, Chairman
Stig Gustavson was born in Stockholm in 1945. He has been a board member since 1997 and his present term ends in 2003. He owns 1 000 Series A-shares of Hackman.
He is president and CEO of KCI Konecranes International Plc.
By training Mr. Gustavson is M.Sc. (Eng.) and holds a Dr. Tech. (Hon.) Tampere University of Technology, 1997. He is a board member of the following companies and organisations: Helvar Merca Oy Ab; KCI Konecranes International Plc; the Federation of Finnish Metal, Engineering and Electrotechnical Industries MET; the Confederation of Finnish Industry and Employers; Enskilda Securities AB; and he is chairman of the board of Dynea International Oy.

Jan Hörhammer, Vice Chairman
Jan Hörhammer was born in Helsinki in 1945. He has been a board member since 1992, and his term will be over in 2004. He owns 85 000 Series A-shares and 25 000 Series K-shares. He is a director of the Upper Air Division at Vaisala Oyj.
Mr. Hörhammer holds a degree in radio and telecommunications technology engineering. He has been with Vaisala Oyj since 1968. He holds positions of trust in the following organisations: MET, the Association of Finnish Defence Industries, and the Association of the Hydro-Meteorological Equipment Industry.

Berndt Brunow
Berndt Brunow was born in Helsinki in 1950 and holds a degree in Economics (B.Sc.). This was his first year as a board member of Hackman, and his present term ends in 2004. He owns no shares in Hackman. Mr. Brunow has been president and CEO of Sanitec Corporation since 2000.
Before Sanitec he worked in different positions for Finnish paper industry in Finland and abroad. Berndt Brunow is a member of the boards of Oy Nautor Ab, Myllykoski Corporation, Sanitec Corporation and Friedrich Grohe AG & Co. KG. He also chairs the Finnish-British Trade Association.

Björn Gavelstad
Björn Gavelstad was born in 1939 in Hedrum, Norway. He has been a board member since 1996, and his term will expire in 2002. He does not own any Hackman stock. He was a director and executive board member at Orkla Foods International until he retired on January 1, 2001. Mr. Gavelstad has comprehensive experience in the food industry. Of his 37 years in the business, he has spent 14 years as a president and CEO. He is also chairman of the board of directors at both the Swedish Institute of Food and Biotechnology and Mouldex AB.



Harry Harkimo

Harry Harkimo was born in Helsinki in 1953 and holds a degree in Economics (B.Sc.). This was his first year on the Hackman board of directors, and his present term ends in 2004. He owns 4 845 K-shares and 965 A-shares.
Mr. Harkimo is chairman of the Jokerit HC Oyj Group's board of directors. In addition to his duties at Hackman, Mr. Harkimo is a member of the boards of 20 sports and communications enterprises.

Lars Renström

Lars Renström was born in 1951 in Umeå, Sweden. He has been a board member since 1997, and his term will expire in 2003. He owns 600 Series A-shares.
He is president and CEO of Seco Tools AB. Mr. Renström holds a master's degree in chemistry and a bachelor's degree in business administration. He formerly worked for Ericsson and Atlas Copco in Sweden. He is also a member of the board of Seco Tools AB.

Martin Sandelin

Martin Sandelin was born in Helsinki in 1954. He is on the Hackman board of directors for the first time. His term will end in 2004. He owns 200 K-shares and 1 090 A-shares. He works as director of Group Marketing at Nokia.
Mr. Sandelin studied at the University of Helsinki, Department of Pedagogy. He has worked for Nokia since 1983, handling such tasks as investor relations and communications. He is also on the boards of the International Youth Foundation and Point Alvin Oy. He has published the book Tankar i Nutid [Thoughts in the Present Day] (1981).

Auditors

Authorized Public Accountants
Kristian Hallbäck
and Anders Borgström

Deputy Auditors

Authorized Accounting Firm,
Tilintarkastajien Oy – Ernst & Young
and Authorized Public Accountant
Roger Rejström

Executive Board, Key Personnel

Executive Board from the left: Tero Vähäkylä, Touko Laine, Michael Ramm-Schmidt, Tapio Hintikka, Lars Malmqvist

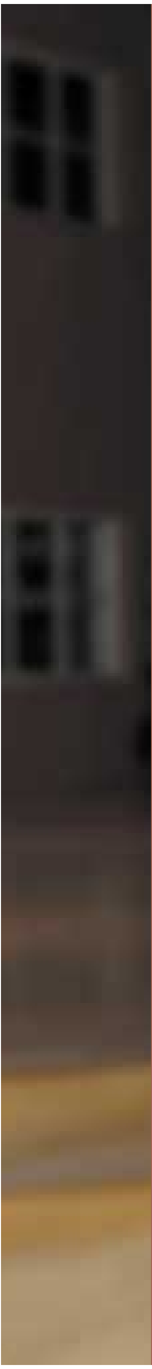
Tapio Hintikka
*1942. President and CEO. Employed by HackmanGroup since 1997.

Touko Laine
*1943. Vice President, Administration. Employed by HackmanGroup since 1990. Series A-shares 10.

Lars Malmqvist
*1946. Vice President, CFO. Employed by HackmanGroup since 1990. Series A-shares 214.

Michael Ramm-Schmidt
*1952. President of Metos and Managing Director of Hackman Metos Oy Ab. Employed by HackmanGroup since 1989. Series A-shares 5 317.

Tero Vähäkylä
*1958. President, Designor and Managing Director of Designor Oy Ab. Employed by HackmanGroup since 2000.



Metos

Michael Ramm-Schmidt
President, Metos
Managing Director, Hackman Metos Oy Ab

Jarkko Ahlstén
Director, BA Dishwashing and Metos France, Belgium and Great Britain

Paolo Candiago
Director, BA Olis Cooking Equipment and Polaris Cold Storing

Pekka Mönkkönen
Director, BA Metos Food Processing

Jörgen Michelsson
Director, Metos Distributor Concept, Marketing and Metos Marine

Jarmo Salminen
Director, End user sales, Finland and the Baltic Countries

Thomas Larsson
Director, End user sales, Sweden

Arne Dalseng
Director, End user sales, Norway

Leena Koskelainen
Director, End user sales, Russia

Göran Frölander-Ulf
Director, Finance

Tomi Pienimäki
Director, IT

Ossi Leikola
Business Development Director

Designor

Tero Vähäkylä
President, Designor
Managing Director, Designor Oy Ab

Henry Löfstedt
Business Controller, Executive Vice President

Petri Pitkäranta
Director, Business Area Arabia

Thomas Enckell
Director, Business Areas Hackman and iittala

Hans Biéth
Director, Business Area Rörstrand, Sales Unit Scandinavia

Ari Siipivirta
Director, Sales Unit Finland

Key Personnel of HackmanGroup

Terhi Arvela
Group Communication Officer

Kaisa Kokkonen
Group Finance and Accounting Manager

Directory

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